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African Prospects and Progress

Economic survey of an industrial giant in Africa

Information service of South Africa, N.Y.

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South African Prospects and Progress

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Second Edition for the United States

This economic survey was compiled by the Information Service of South Africa in New York. It is based upon a text by Mr. S. J. Kleu, financial editor of DIE BURGER a leading South African newspaper. Mr. Kleu did post-graduate study at the Harvard Business School in 1962-64. Pictures are from the Department of Information. Free copies of the book may be obtained by writing to: South African Information Service, 655 Madison Avenue, New York 21, New York.

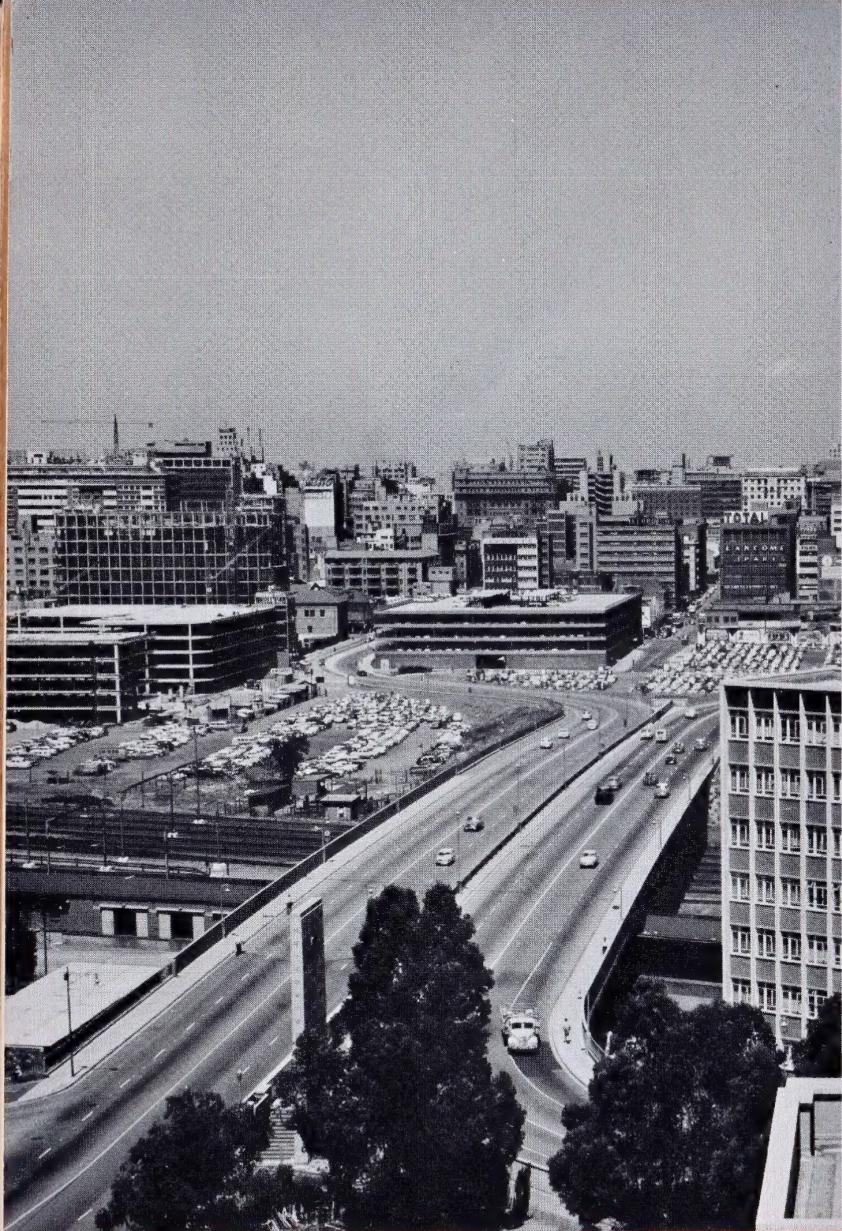
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On the southern tip of Africa, in one of the greatest mineral treasure houses of the world, a new industrial giant is arising. Already this land of golden opportunity, the Republic of South Africa, has far outstripped all other countries in Africa in output and living standards; and is poised for new spectacular economic advances.

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A view of Africa's premier metropolis—the city of Johannesburg. This is the centre of the world's gold mining industry. Three-quarters of a century ago this city was barren earth, yet today Johannesburg has a growing population of more than a million people.

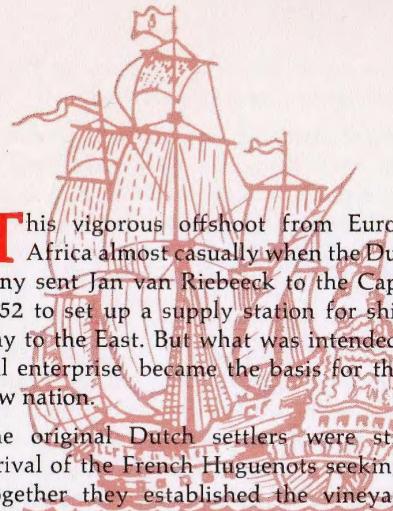


South Africa

The industrial giant of the African continent . . .

- *has a per capita income which is 69% higher than that of the next African country and three times as much as the average for Africa.*
- *produces three times as much steel as all African countries combined and is tenth in output in the world.*
- *generates electrical power double that of the rest of Africa with unit consumption per capita equal to that of Western Europe.*
- *produces more than 80% of the coal in Africa and has 87% of its coal reserves.*
- *carries 50% of all railway freight traffic in Africa and has the largest electrified railway network outside North America and Europe.*
- *possesses 41% of all motor vehicles in Africa and 50% of its telephones.*
- *produces 70% of the Free World's gold supply annually.*
- *has the largest petrol- and oil-from-coal plant in the world, and*
- *has experienced fifty four years of political stability.*

HISTORICAL BACKGROUND



SETTLERS MEET HOTENTOTS, A NON-NEGROID INDIGENOUS PEOPLE.

The founding of South Africa in 1652 when Jan van Riebeeck of the Dutch East India Company raised the tri-color of the adventurous Netherlands — the city of Cape Town stands here now. The Dutch were joined by French and British settlers and in 1806 South Africa passed into British hands. In 1834 an epic pioneering movement northwards led to the opening of the interior and the establishment of two independent Boer Republics. In 1902 the Republics suffered defeat at the hands of Britain in the Second War of Independence. In 1910 the country became part of the British Empire, helping to establish the later British Commonwealth of Nations which withdrew from this organization in 1961 when after a referendum the Electorate chose a Republican instead of a monarchial form of government.

This vigorous offshoot from Europe was planted in Africa almost casually when the Dutch East India Company sent Jan van Riebeeck to the Cape of Good Hope in 1652 to set up a supply station for ships passing on their way to the East. But what was intended only as a commercial enterprise became the basis for the development of a new nation.

The original Dutch settlers were strengthened by the arrival of the French Huguenots seeking religious freedom. Together they established the vineyards which were to produce the famous Cape wines, the wheatlands and later the sheep ranches which made South Africa one of the most important wool producing areas of the world.

The freedom-loving, individualistic farmers born under these southern skies moved inland in an ever increasing stream to open the wide vacant plains of South Africa to European civilization. After about 150 years of expansion to the east and northeast, they were met by a moving stream of black Bantu entering the present area of the Republic from the north.

At the time of the Napoleonic wars, the Cape was taken over by Britain, and the original Dutch, French and German settlers were joined by British settlers.

For about two centuries the development of the country was mainly limited to the Cape Province in the south. In the Great Trek of the 1830's the Afrikaners moved further north, on to the South African High Veld, establishing the Orange Free State and Transvaal Republics, and thus whites permanently settled in what are now the northern provinces of South Africa.

In the early part of the nineteenth century the South African economy was based mainly on extensive agriculture in

the white or European areas, while in the black or Bantu areas a primitive subsistence economy prevailed.

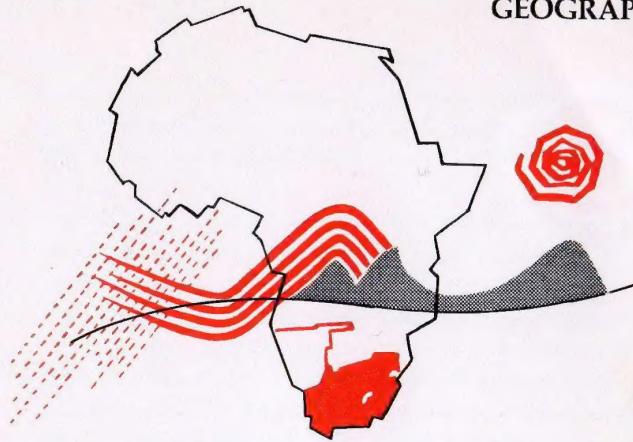
But the glitter of gold and diamonds transformed this peaceful agrarian land. In 1870 diamonds were discovered at Kimberley in the Cape hinterland and in 1886 gold in the Boer republic of the Transvaal. These discoveries attracted daring entrepreneurs, new immigrants, overseas capital. Transportation was improved and the techniques of modern production introduced.

The gold mines of the Witwatersrand ("Ridge of White Waters") together with the later enterprises of the Orange Free State, were to become the world's greatest source of the precious yellow metal—basis of the world's monetary system. Alongside the European economic system there still prevailed the purely subsistence economy of the Bantu tribes living in their own areas. The development of the country's mineral resources as well as a more intensive agricultural system in the white areas, caused a greater demand for labor, which attracted more and more Bantu into the white areas, and introduced a gradual change in the black subsistence economy.

After the Anglo-Boer War of 1899-1902 the two former Boer republics and the two British colonies of the Cape and Natal joined to form the Union of South Africa, adding the strength of unity to a wealth of resources. In 1961 this Union became the Republic of South Africa.

Since the twenties, manufacturing industry made great strides in South Africa, bringing in its train a process of rapid urbanization and of difficult economic and social adjustments. Industrialization was considerably accelerated after World War II so that at the moment the greater part of the country's national income comes from manufacturing industry—25.5 per cent in 1962-63 compared with 13.1 for mining and 10.4 for agriculture.

The advanced degree of industrialization reflects the rapid development of the country, which has a per capita national income much higher than any other country in Africa.



The Republic of South Africa, with an area of 472,359 square miles, forms the southern part of the African continent. It is bordered on the east, south and west by the Indian and Atlantic Oceans and on the north by South-West Africa, Bechuanaland, the Federation of Rhodesia and Nyasaland, Portuguese East Africa and Swaziland.

South Africa falls almost entirely in the South Temperate Zone. On the whole the climate is pleasant and invigorating and shows little of the sharp variations in similar latitudes north of the Equator.

It is a land of sunshine. The average number of hours of sunshine per day throughout the year varies from 7.5 to 9.4 compared with only 3.8 in New York. The average annual rainfall for the whole of South Africa is approximately 17.5 inches. Only about a quarter of the country receives more than 25 inches of rain per annum. Large areas have an unpredictable rainfall and are afflicted by recurring droughts and floods. This makes the conservation of water resources a priority in South Africa's development plans.



Average Temperatures and Hours of Sunshine (annual) in some of the World's Leading Tourist Resorts.

Areas	Average Temperature Summer	Average Temperature Winter	Average Hours of Sunshine (annual)
British Channel Islands	62	44	1,900
South California	70	55	2,750
Madeira and Canary Islands	71	60	2,450
Riviera	75	46	2,700
Hawaii (Honolulu)	77	70	2,450
Florida "Keys"	81	68	2,750
Caribbean	83	72	2,600
South African Resorts	72	58	2,750

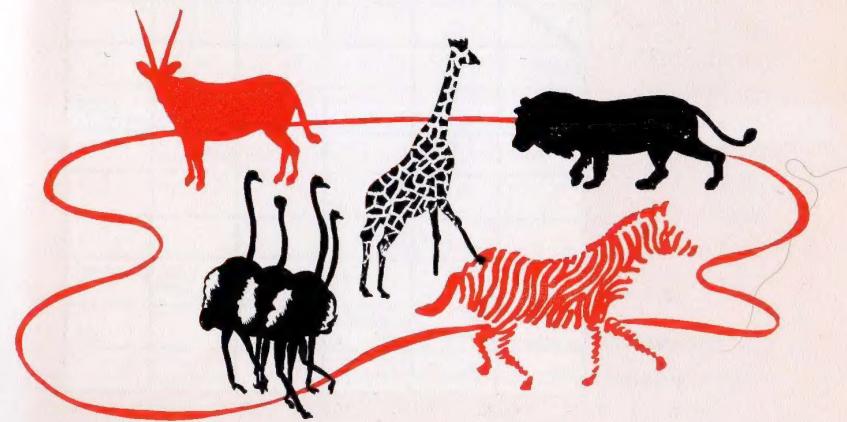
South Africa's temperate, invigorating climate, coupled with the presence of an advanced Western society and highly developed medical services, has produced a healthy, vigorous population.

The all-year-vacation climate and unsurpassed beauty have made South Africa one of the world's greatest tourist attractions.

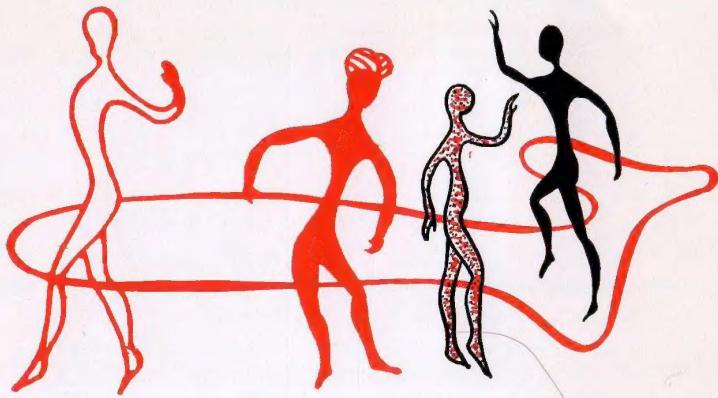
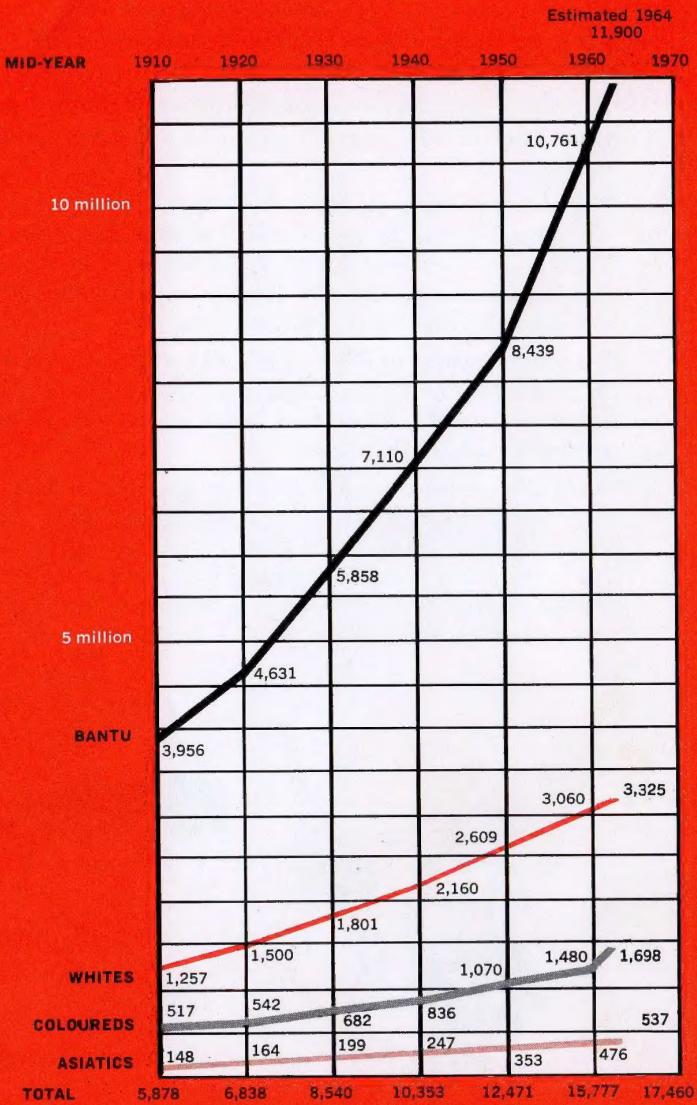
It is a land of sharp contrasts. But whether you go to the white beaches and the green valleys of the Cape of Good Hope, to the wide open plains of the Karoo or the Transvaal High Veld, to the colorful Transkei or the rolling hills of Natal, sunshine and hospitality await you.

The great diversity of climate and soil conditions accounts for South Africa's remarkable flora and fauna. The Republic has perhaps the richest flora in the world, with 16,000 species against Britain's 1,500.

While other countries in Africa have all too often destroyed their wild animals, South Africa has protected them. The Kruger National Park, a vast tract of land where animals live in their wild state, is attracting a growing number of tourists from all over the world. The animal kingdom comprises many hundreds of species.



Mid-Year Estimates of Population in Thousands.



South Africa is a mosaic of nations, a wide variety of peoples of different color, different degrees of civilization, language, customs and culture.

The present population is about 17,065,000. Of the 3,250,000 whites of European descent about 60 per cent speak Afrikaans (a language closely related to Dutch) and the rest mainly English. The 1,648,000 Coloureds are descendants of the indigenous Hottentots who inhabited the southern part of the country when the first whites settled there, Malays and people of mixed blood. Apart from the religion and certain customs of the Cape Malays, this group shares the language and culture of the whites.

The 522,000 Asians are descendants mainly of Indians whom the British brought in to work on the sugar plantations of Natal. Many of them have since moved into commerce and industry.

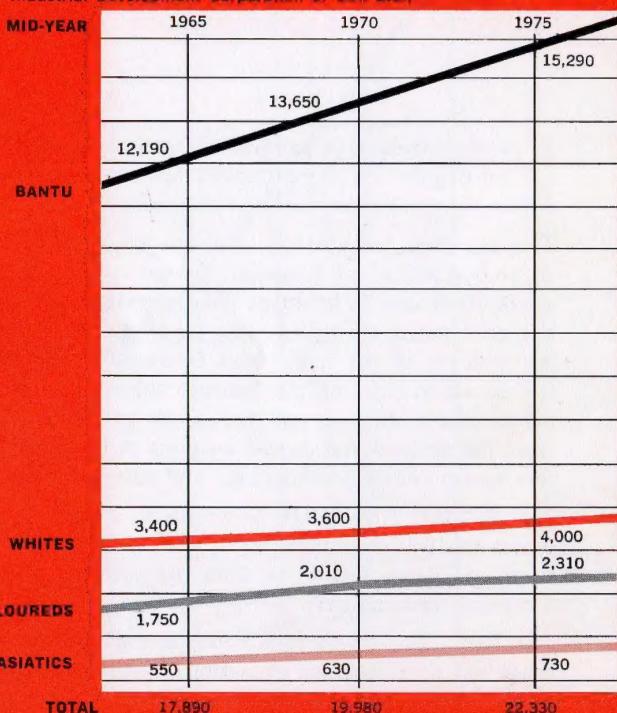
The Bantu do not form a homogeneous group, but are made up of a number of nations with different homelands, languages and customs.

Average Annual Rate of Increase since Previous Census — Per Cent.

	TOTAL	WHITES	COLOURED	ASIATICS	BANTU
1904	—	—	—	—	—
1911	2.07	1.93	2.41	3.12	2.03
1921	1.49	1.76	0.37	0.86	1.57
1936	2.19	1.86	2.32	1.90	2.29
1946	1.76	1.70	1.89	2.65	1.73
1951	2.10	2.18	3.51	5.15	1.79
1960	2.54	1.69	3.43	2.87	2.66

Projection of Population — ('000).

(Source — Industrial Development Corporation of S.A. Ltd.)



The population density in South Africa is low in comparison with European countries and the United States — there are about 36.13 persons per square mile. (U.S. average: 50.4).

The total population of Africa was 261,000,000 in 1961. South Africa was fourth on the list. Nigeria came first with 36,800,000, Egypt second with 27,000,000; then Ethiopia — with over 22,000,000.

Immigration

Immigration played a much smaller role in South Africa than in the United States and some other "young" countries. It has always been considerably smaller than the net natural increase of the population. The reason for the small number of white immigrants was the availability of large numbers of unskilled Bantu laborers.

In recent years, however, immigration, mainly from Western Europe, has been vigorously encouraged and the Government has announced a plan to absorb at least 30,000 immigrants a year. Over 30,000 arrived in 1963.

In 1961 the Government established a Department of Immigration to encourage immigration to the Republic and to assist in making immigrants part of the South African community after their arrival.

The financial and other assistance being given to immigrants under the present immigration policy can be summarised as follows:

- (a) An amount of \$168 is contributed towards the passage costs of every approved immigrant, irrespective of age.
- (b) Immigrants who have employment to take up on arrival in South Africa are transported at State expense to the employment centres.
- (c) Those who have no employment to take up on arrival are transported at State expense to centres where they will most readily find work and where they are accommodated at State expense until suitable employment is found.

(d) Immigrants who have no employment are assisted by the Department of Labour, in co-operation with the Department of Immigration and other recognised organisations, in finding employment.

(e) On finding employment they are transported at State expense to their places of employment.

(f) Baggage which an immigrant is permitted to convey free by ship, but not exceeding one cubic metre per adult, is transported by train at State expense in respect of these journeys.

As one of the fastest developing countries in the world, South Africa offers opportunities of work and advancement which are not available in the older countries. South Africa has no unemployment problem. The Republic's unemployment rate of approximately 1.9 per cent is the envy of many nations.

The social legislation of South Africa is highly advanced and workers are well provided for in case of accident or illness. Home ownership, well within the reach of the artisan, is on the increase in South Africa.

Not every immigrant is able to make a fortune, but South Africa offers many more opportunities for private enterprise than the older countries. Many immigrants, starting as workmen, have succeeded in saving enough to open their own workshops, which in many cases have developed into sizeable factories.

At the same time South Africa has since the war become a haven for many wealthy people desiring to escape the high tax rates of the older countries.

Apart from white immigrants from Europe, South Africa also attracts thousands of black migrants from the neighboring territories. Today there are about 800,000 foreign Bantu in South Africa of whom approximately a quarter have settled permanently in South Africa.

Urbanization

One of the features of the South African economic scene is the rapid rate of urbanization.

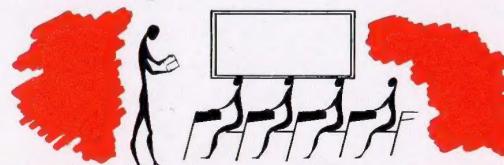
From 1951 to 1960 the total population of the twelve largest cities increased from 3,250,000 to 4,250,000, almost 30 per cent. The metropolitan area of the Witwatersrand in 1960 contained nearly a quarter of the white and two-thirds of the total South African population.

Four-fifths of South Africa's urban population is concentrated in four major industrial areas; 2,750,000 in the Southern Transvaal, 1,000,000 in the Western Cape, 750,000 in Durban-Pinetown and approximately 450,000 in Port Elizabeth and East London.

There are major differences in the labour structure in the four areas, especially regarding the racial composition of the labour force. In the Western Cape, Coloured and White workers are in the majority; in the Southern Transvaal, Bantu and Whites; in Durban, Bantu, Asians and whites; and in Port Elizabeth and East London, Bantu and whites. For example, in the Western Cape most of the work in the building industry is done by Coloureds, while in the Southern Transvaal it is done by whites. A similar set-up is found in the furniture and clothing industries.

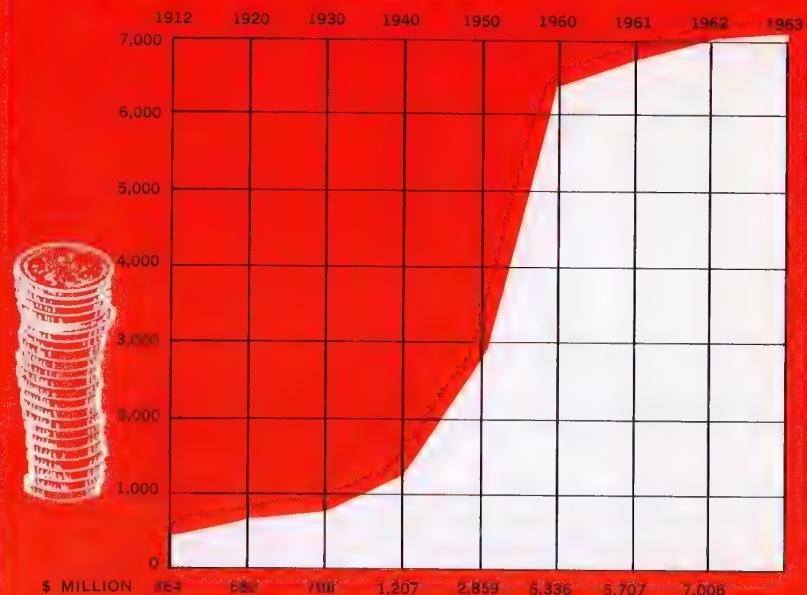
In general, most of the skilled work is done by whites and most of the unskilled work by the Bantu, who were the last group, historically, to join the system of modern production. The Asians and Coloureds, who have been part of the white economy for a much longer period, occupy a position in-between.

As the educational level of the nonwhites rises and as development plans for the Bantu homelands take shape, more skilled jobs, as well as positions in the professions, become available to them.



Income and Standard of Living

Growth of Net Domestic Product - (\$ million).



Contributions of Agriculture etc., Mining, Private Manufacturing and Commerce as a percentage of the Total Net Domestic Product.

	Agriculture	Mining	Manufacturing	Commerce
1912	27.4	27.1	10.7	13.6
1920	20.9	21.3	10.7	16.8
1930	13.9	17.3	15.4	14.5
1940	11.8	22.8	17.5	14.3
1945	12.3	14.4	19.9	14.1
1950	13.1	13.8	22.1	15.0
1955	13.7	11.6	23.6	14.2
1956	13.1	12.5	23.9	13.0
1957	14.1	12.7	23.4	13.5
1958	11.5	12.8	23.9	13.0
1959	10.7	13.3	23.8	12.8
1960	11.2	13.7	23.4	12.7
1961	11.1	13.7	23.7	12.6
1962	10.7	13.4	24.1	12.6

INCOME AND STANDARD OF LIVING



The rapid growth of South Africa's national income has ensured its people a standard of living far ahead of any other country of Africa.

The annual increase in the value of all goods and services produced within the Republic in the past 50 years was about 6 per cent, and the real per capita income increased by approximately 1.4 per cent per annum.

South Africa, with only one-seventeenth of Africa's population, generates one-fifth of its total geographical income. South Africa is in the lead because economic development on modern lines started there earlier than in most other African territories; because of the dynamic enterprise of the country's white entrepreneurs; and because the Bantu and Coloured workers of the Republic are on the whole healthier, more vigorous and further developed than the inhabitants of tropical Africa.

Income and Standard of Living

Per Capita National Income

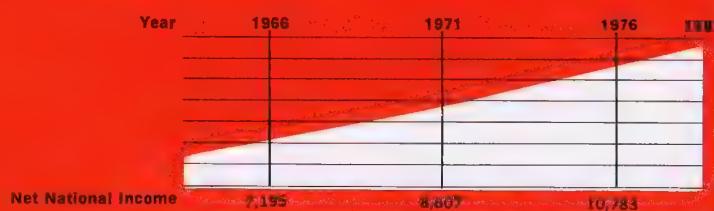
Year	National Income at Current Prices (Dollars)	Consumer Price Index (1961-62 = 100)	National Income at 1961-62 Prices (Dollars)
1937-38.....	99	42.8	231
1939-40.....	110	43.7	253
1944-45.....	157	56.5	276
1947-48.....	190	61.8	308
1949-50.....	214	67.2	319
1954-55.....	310	86.2	360
1957-58.....	340	93.6	363
1959-60.....	368	96.6	380
1960-61.....	385	98.1	392
1961-62.....	398	100.0	398

Net National Income per Head of Population

Country	Year	Net Income per Capita in Dollars
Republic of South Africa.....	1961-62	398
Ghana.....	1961	199
Federation of Rhodesia and Nyasaland.....	1961	146
Kenya.....	1961	87
Tanganyika.....	1961	56
United Kingdom.....	1961	1,155
Netherlands.....	1961	875
France.....	1961	991
West Germany.....	1961	1,074
Italy.....	1961	557
Portugal.....	1961	252
Mauritius.....	1961	227
Sudan.....	1961-62	111
India.....	1961-62	68

Projection of the South African Net National Income - (\$ Millions)

(Source: Industrial Development Corporation of South Africa)



Income and Standard of Living

Although South Africa has the highest per capita income in Africa, there is still considerable scope for raising the living standards of the nonwhites. This is not only a challenge to the economy, but the steady rise of productivity and income of the nonwhites also provides the economy with a built-in growth factor.

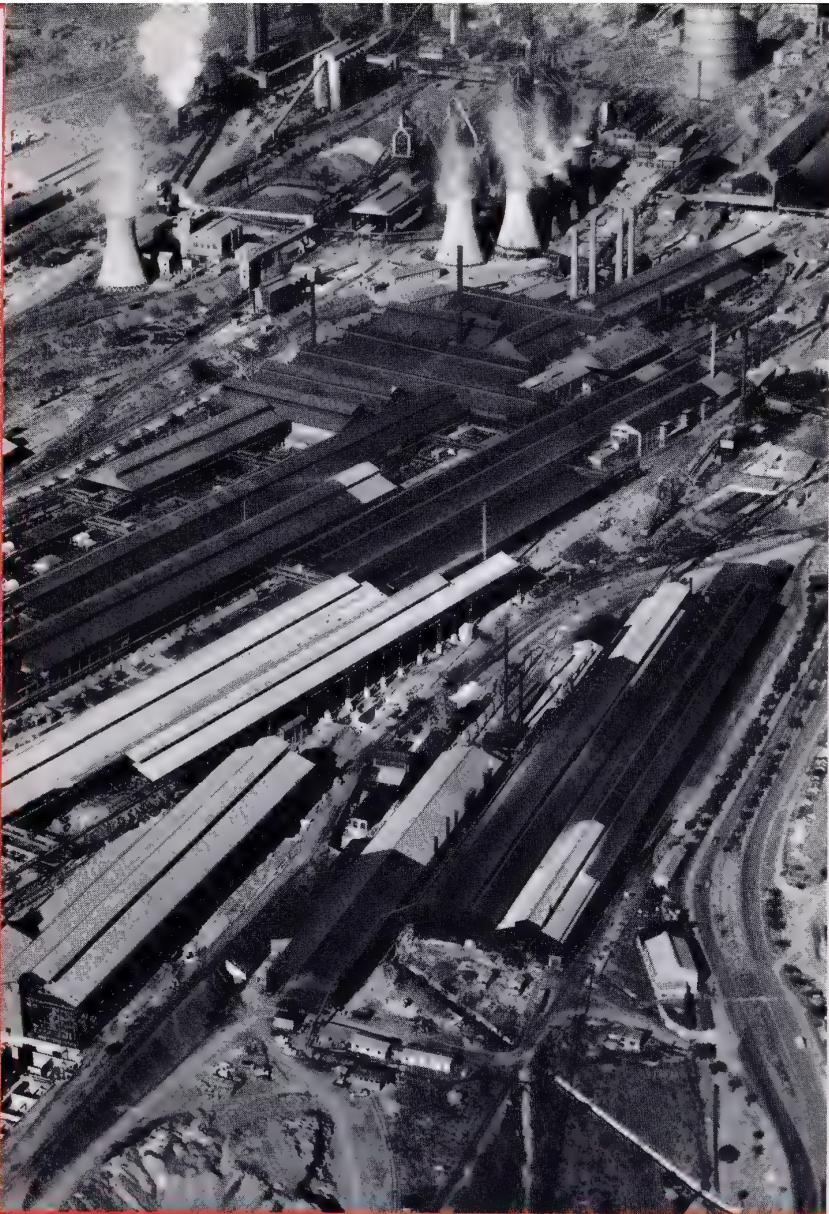
The vast improvement in the wages and living standards of the nonwhites, especially the Bantu, has been a feature of the postwar period. It has resulted from the general economic growth which created better employment opportunities for the Bantu, from the conscious policy of the Wage Board (a Government body fixing minimum wages for *inter alia* unskilled workers), and from a drive among white employers to increase the wages of Bantu workers with a view to raising their productivity as well as their purchasing power.

The earnings of Bantu have been rising at a much faster rate than that of the whites. The total income of whites since the war increased by approximately 300 per cent and that of the nonwhites by more than 500 per cent.

The Government encourages and actively supports this policy of higher wages, supplementing it by a program of education and training for nonwhites which is without parallel in Africa, as well as by housing programs and social welfare services. Over the past thirty years the number of Bantu pupils has increased five times and expenditure on education sixteen times. The literacy rate of the Bantu has risen from 21 per cent in 1946 to 33 per cent in 1960, and the Government expects to wipe out illiteracy within a generation.

Labor Relations

Despite vast social changes brought about by South Africa's industrial development, the country has enjoyed remarkable industrial peace. With the exception of 1946 and 1947 no major strikes have occurred since 1922. The



South Africa produces three times as much steel as the rest of Africa combined. This is an aerial photograph of the ISCOR steel works near Pretoria. The company was incorporated in 1928 and the first steel was tapped in 1934. A new expansion program, scheduled to be completed in 1973 will raise the annual production capacity from the present 2,500,000 ingot tons to close on 5,000,000 tons.

two strikes mentioned occurred in the gold mining industry and were not directed against the employers, but were caused by internal differences within the trade unions concerned.

South Africa's industrial peace is the more remarkable since management-labor relations are complicated by the multi-cultural composition of the population. The white management often has to deal with relatively primitive Bantu workers who have little knowledge of the white man's way of life. While it is not easy for the primitive Bantu to understand the white man's ways, the inexperienced white manager may be equally puzzled when measures acceptable to white workers provoke quite different reactions among black workers. Bantu who, until recently, were not accustomed to disciplined work, have however developed into responsible and efficient factory workers.

While South Africa's economic growth has been rapid, it has also been relatively stable. The reason is to be found in the important role that gold production plays in the economy. While some other industries are severely hit by a depression, gold production becomes relatively more profitable, since the selling price remains the same, while production costs may even decrease.

Thus South Africa has not only a built-in growth factor but also an important built-in stabilizer.



Products of Land and Sea

Gross Value of Agricultural Production - (\$ thousand)

FIELD CROPS:	1961-62*	1962-63*
Maize	\$ 238,974	\$ 258,223
Wheat	73,431	59,360
Oats	5,977	5,345
Barley	2,058	2,367
Rye	480	473
Kaffircorn	8,918	14,032
Hay	18,340	19,149
Lucerne Seed	1,739	1,018
Dried Beans	7,064	7,269
Dried Peas	882	928
Sugar-Cane	57,936	66,214
Chicory	665	700
Tobacco	18,878	20,300
Cotton	4,368	7,406
Groundnuts	18,823	24,500
Sunflower Seed	6,279	5,586
Wattle Bark	9,600	9,468
"Rooibos" Tea	260	315
Potatoes	18,816	17,500
Sweet Potatoes	1,501	1,593
Other	9,786	11,061
TOTAL	504,775	532,807
<hr/>		
HORTICULTURE:		
Citrus Fruit	33,561	33,600
Deciduous Fruit	54,862	59,545
Sub-Tropical Fruit	10,536	10,412
Viticulture	26,020	26,579
Dried Fruit	3,202	2,206
Vegetables	33,545	34,784
TOTAL	161,726	168,126
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PASTORAL:		
Wool	125,910	133,470
Mohair	8,834	9,722
Karakul Pelts	4,830	6,194
Ostrich Feathers	629	878
TOTAL	140,203	150,264
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LIVESTOCK:		
Slaughter Stock:		
Cattle	121,416	122,704
Sheep	64,987	65,460
Pigs	16,601	15,884
Fresh Milk	75,424	73,612
Dairy Products	55,546	48,864
Poultry Products	46,786	47,684
Other	9,377	9,440
TOTAL	390,137	383,648
GRAND TOTAL	\$1,196,841	\$1,234,845

* Preliminary figures.

SOURCE: Department of Agricultural Economics and Marketing—Division of Agricultural Economic Research.

PRODUCTS OF LAND AND SEA



Agriculture

South Africa's development began as an agricultural settlement and for two centuries its economy remained principally agrarian. It is therefore not surprising that the Afrikaners, descendants of the original Dutch and French settlers, became known as Boers (farmers). While now contributing less than 15 per cent of gross national production, agriculture still sustains about half the population.

The climate and soil of South Africa make it possible to grow a large variety of agricultural products. Almost any crop normally produced in the temperate and subtropical zones of the world will thrive somewhere in the country.

The largest crop is corn, principally grown in the Transvaal and Orange Free State, and the Republic ranks seventh in the world among corn producers. Wheat and other cereals, as well as sugar cane, tobacco, fruit and oilseeds are important agricultural products. Deciduous fruits and wines from the Cape, and oranges from the Transvaal have won markets in many parts of the world and are important earners of foreign exchange.

With only 15 per cent of the country arable, the major part of South Africa's rural economy is devoted to sheep and cattle raising. South Africa ranks eighth in the world in number of sheep (30,600,000) and is the fourth largest wool exporter after Australia, Argentina and New Zealand.

Products of Land and Sea

Wool is the biggest single agricultural item on the export list.

Since World War II the raising of karakul (Persian lamb) sheep has increased in importance.

South Africa is eminently suited for cattle ranching. In the past few decades the cattle industry has been stagnant due to the introduction of the tractor, the subdividing of farms which made them too small for ranching purposes, and the switch to cash crops. In recent years more emphasis has been placed on the production of meat and dairy products. Industrial development since the war has helped to raise the domestic consumption of agricultural products and has wiped out most of the surpluses.

Forestry

The timber obtained from the 2.4 million acres of man made forest in the Republic provides upwards of fifty million wooden containers, 40% of its softwood structural timber requirements, all its kraftpaper and more than half its newsprint needs, its entire requirements of supporting timbers for the mines, more than its domestic requirements in fibreboards and hundreds of thousands of creosote treated poles for farming and other purposes. In addition the Republic of South Africa exports considerable tonnages of rayon pulp. The afforested area contributes more than \$100,000,000 to the country's industrial output. The forest industry, including its ancillary wood industries, has an annual wage bill of approximately \$28,000,000 and gives employment to 110,000 production workers. It is estimated that by 1980 the plantations together with the areas still to be afforested, will have reached a sustained yield, including all types of timber, of 420 million cubic feet per annum (12 million cu. meters) and the country will be self sufficient in all its timber requirements except possibly paper and pulp. The contribution of forestry to the general economic development will in this way have doubled within 15 years.

Although South Africa is a sparsely wooded country, the prospects for expansion of the timber industry are favor-



The Republic of South Africa is eminently suited for cattle-ranching and indigenous as well as imported breeds do well. About 92 per cent of the total land area is used for stock breeding ... The Africander breed (above) with characteristically sweeping horns, heavy dewlap and big hump, is typically South African, and was perfected by centuries of breeding and cross-breeding. It is an important supplier of South Africa's beef requirements.



**Total South African Fish Catch***

Item	1,000 short tons	
Cape and Natal	1961	1962
Pilchard, Mackerel, Marsbanker	545.2	550.2
Trawled Fish	123.8	117.9
Snoek	10.5	10.0
Rock Lobster	9.7	9.6
Miscellaneous	22.2	21.9
Freshwater Fisheries	.1	.1
Total (Cape and Natal)	711.5	709.7
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South West Africa		
Pilchard	377.4	438.0
Snoek	1.7	1.7
Rock Lobster	6.4	7.9
Miscellaneous Marine Fisheries	3.0	1.3
Total (S.W.A.)	388.5	448.9
<hr/>		
Canned Fish Products		
Pilchard	20,732,128	14,687,523
Marsbanker	10,714,744	18,132,072
Mackerel	11,779,872	7,893,624
Total	43,226,744	40,713,219

*Source: South African Fishing Industry Handbook.

able. Even with plantations of exotic trees extended to their estimated maximum of 3,200,000 acres, only 1.4 per cent of the Republic's total area will be under forests, compared with 25 per cent in Canada. But the country is compensated for this disadvantage by the exceptionally fast growth of exotic trees, like the eucalyptus and other gum trees, wattle, poplars, and several coniferous species. They grow from three to ten times faster than in the Northern Hemisphere. Most of the forest products are produced for domestic consumption. The wattle industry has, however, developed a large export trade. South Africa is the world's chief producer of wattle extract.

Fisheries

Although serious development of South Africa's fishing industry started only after the war, the Republic has already developed into the largest producer of fish and fish products in the Southern Hemisphere. South Africa and South-West Africa, regarded as a unit, rose to sixth place among the world's fish-trading nations in 1959, with record exports valued at \$53,200,000.

The total catch increased from only 64,000 short tons in 1938 to more than 1,100,000 tons in 1961. In thirteen years South Africa had increased her annual catch by 600 per cent and in ten years fish exports had risen by 900 per cent.

Pilchards, marsbankers (menhaden), stockfish (hake), snoek (a variety of mackerel) and rock lobster are a few of the varieties caught by commercial fishermen.

The most modern methods are used in the South African fishing industry, centered mainly between Cape Town and Walvis Bay. The greatest part of the catch is exported in the form of food fish, oils and meals. South African rock lobster is a well known delicacy in the United States.

South Africa is one of the largest producers of fishmeal in the world.

Electric Power

Price of Electric Power in South Africa

Undertaking	Railroads	Mining	Industrial	BULK	Domestic	Average
Cape Western	1.1159	—	1.1210	0.9756	1.4434	1.1380
Cape Northern	—	1.0672	0.8886	0.8435	0.8671	0.9956
Border	—	—	1.8831	0.9547	2.0984	1.0709
Natal Southern	0.7439	—	0.6500	0.6285	1.7483	0.6683
Natal Central	0.7507	0.8007	0.9546	0.7632	1.0000	0.8075
Eastern Transvaal	0.6056	0.5433	0.4225	0.5172	1.8913	0.5125
Rand & O.F.S.	0.5043	0.4011	0.3988	0.4675	1.0062	0.4151

ELECTRIC POWER

The generation of electric power in the Republic is in the main undertaken by the Electricity Supply Commission (Escom), a semi-governmental body, and municipalities.

Practically all electricity is generated in steam plants using as fuel sub-bituminous coal mined in the Republic. South Africa's large deposits of cheap coal make it possible to generate electric power at a lower cost than in most other countries. Escom alone produced 18,121,000,000 units in 1962 compared with 17,013,000,000 in 1961. (16,094,000,000 units were produced in 1960.)

Price of Electricity

Power stations in the northern provinces are built on deposits of low-grade coal. In consequence, power can be sold at prices which are among the lowest, if not the lowest, in the world for steam-generated electricity.

The table shows the average price per unit sold during 1962 for each undertaking.

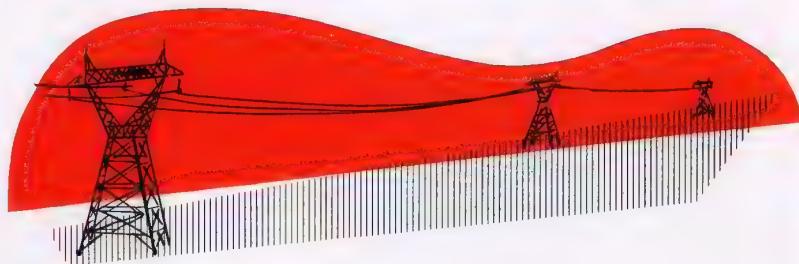


In the main industrial area, the Witwatersrand, Escom can supply electricity at about \$0.0058 per unit and in areas like the Western Cape, which is furthest from the coalfields, at about \$0.019 per unit. Due to the long distances and high rail costs within the Republic, most of the larger power plants are located near the coalfields of the Transvaal and Natal.

Electricity consumption per head of South African population is same as that of Western Europe. South Africa generates three times as much electricity as the combined output of all other countries in Africa south of the Sahara.

Escom alone will spend more than \$560,000,000 in the next ten years on electricity development.

NOTE: *In South Africa more than 80 per cent of industry is concentrated on about 2.8 per cent of the total area of the land. A policy of decentralization of industry is being encouraged to alleviate the "crowding" as well as to create employment opportunities for the growing population in the Bantu Homelands. Under this policy of decentralization, entrepreneurs are encouraged by way of important concessions to erect factories on the borders of these homelands. Several overseas firms have shown great interest in this policy and recently a leading British cotton concern announced that it was moving from Lancashire to the borders of the new State of the Transkei.*



Since South Africa has no inland waterways, the railroads are the most important form of transportation, especially over long distances. The railroads are owned and operated by the Government through the S.A. Railways and Harbors Administration.

The railroad system comprises approximately 14,000 route miles, most of which is single track and is operated principally with steam locomotives. About 3,400 single track miles with heavy traffic density are electrified. Diesel-electric traction is also being introduced in certain areas.

The Republic is served by a system of excellent highways. There are approximately 115,000 miles of national and provincial roads, of which approximately 13,300 miles are bituminous surfaced.

The Railways and Harbors Administration operates road motor passenger and freight services over approximately 32,000 route miles.

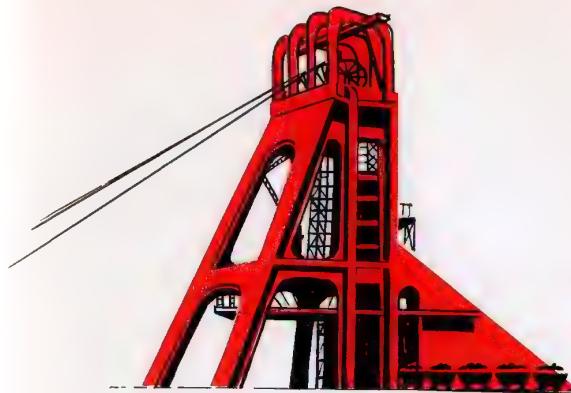
The South African Airways operates regular internal services connecting the principal cities in the Republic, as well as regional services to neighboring territories and trunk routes extending from South Africa to Europe and Australia. Fifteen other international airlines, including Pan-American Airways and BOAC operate between South Africa and other parts of the world. Both domestic and overseas airlines, using high-speed, modern aircraft, operate from all-weather airports of international standard.

South Africa is served by many trans-oceanic steamship lines (including three American lines), most of which are owned abroad, as well as a number of locally owned coastal lines. The principal ports are Cape Town, Port Elizabeth, East London and Durban. Durban, being nearest to the mining and industrial area of the Transvaal, handles about 50 per cent of the total overseas cargo. It is the biggest port in Africa.

The Republic has no navigable rivers.

Value of Mineral Production in South Africa.

	1962	1961
Gold	\$ 891,800,000	\$ 960,400,000
Uranium Oxide	103,600,000	93,800,000
Coal	91,000,000	95,200,000
Diamonds (S.A.)	50,400,000	51,800,000
Diamonds (S.W.A.)	47,909,400	57,395,800
Asbestos	32,200,000	30,800,000
Copper	25,200,000	30,800,000
Platinum (no longer available)		
Lead Concentrates, S.W.A.	20,554,800	15,902,600
Manganese	19,600,000	18,200,000
Iron Ore	16,800,000	16,800,000
Lime & Limestone	11,200,000	12,600,000
Chromite	8,400,000	7,000,000
Vanadium	2,800,000	2,800,000
Sillimanite	2,800,000	2,800,000
Sulphur (Pyrites)	4,200,000	4,200,000
Phosphates	2,800,000	5,600,000
Tin & Concentrates	2,800,000	4,200,000
Antimony	4,200,000	4,200,000
Salt	2,800,000	2,800,000
Silver	4,200,000	4,200,000
Fluorspar	1,400,000	1,400,000
Vermiculite	1,400,000	1,400,000
Flint Clay	1,400,000	1,400,000
Titanium	1,400,000	532,000
Other—S.A.	49,000,000	64,400,000
Other—S.W.A.	1,315,700	1,774,400
TOTAL	\$1,404,383,400	\$1,504,400,800



The development of the mining industry transformed South Africa from an agrarian and pastoral country to an advanced industrial state within a generation.

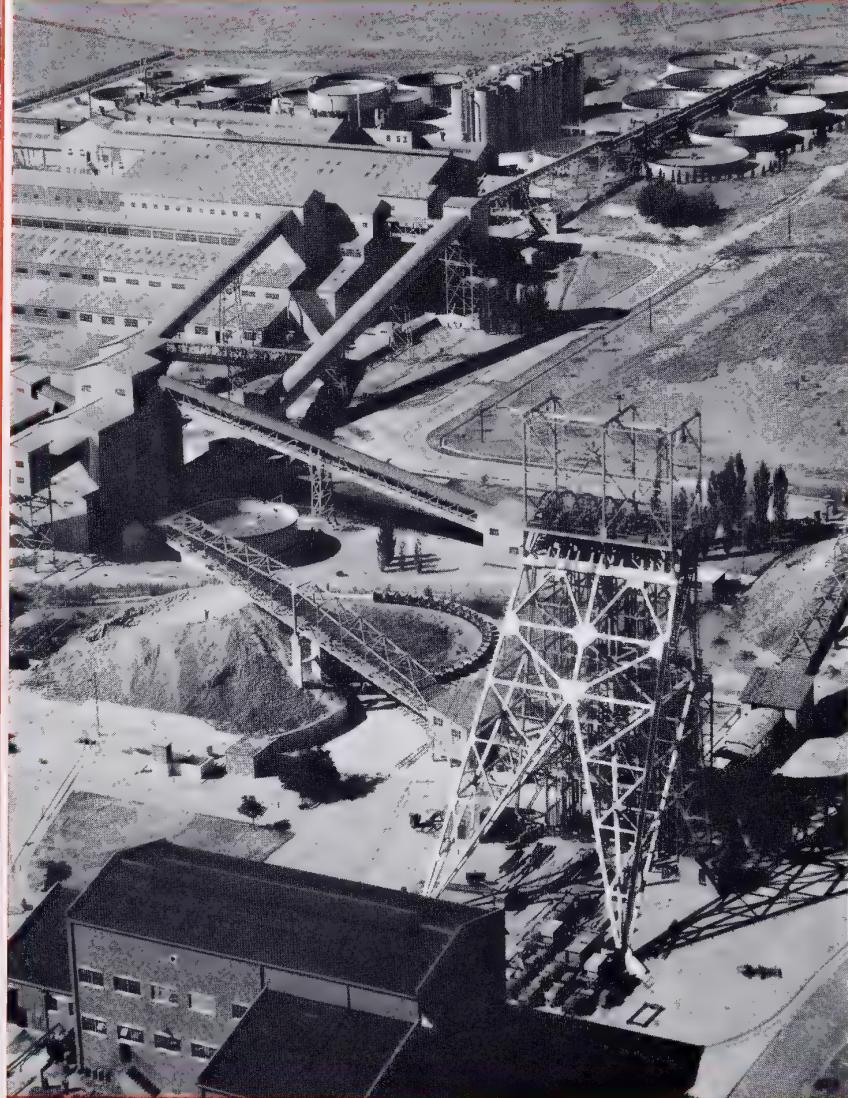
South Africa possesses a greater variety of minerals than most other countries. Apart from oil and bauxite there are very few minerals which were or are not mined in South Africa.

The Republic has the largest deposits and ranks among the world's leading producers of: gold, diamonds, platinum, uranium, coal, iron ore, chromite, manganese, asbestos, antimony and corundum.

In addition a large variety of other minerals occurs in South Africa such as silver, magnesite, fluorspar, nickel, tungsten, zinc, mica, pigments, baryte, andalusite, talc, copper, tin, beryllium, lead, titanium, graphite, kaolin kieselguhr felspar, Fuller's earth, gypsum, lime, marble, phosphates, silcrete, salt, arsenic, molybdenum, tantalum, monazite, mercury and zirconium.

South Africa, excluding South-West Africa, produced about 43 per cent of Africa's mineral output during 1961.

During the last thirty-two years the value of South Africa's mineral production approximately doubled every ten years — from \$159,000,000 in 1930 to \$1,331,400,000 in 1963.



Gold

South Africa produces 70 per cent of the world's gold outside the Soviet Union. Output rose from 8,000,000 ounces to 27,000,000 over the past fifty-two years. It is expected to increase further to 30,000,000 ounces in 1964.

Gold and diamonds brought to the South African scene a number of brilliant entrepreneurs like Cecil Rhodes, Barney Barnato, Alfred Beit, J. B. Robinson, Sammy Marks and Sir Ernest Oppenheimer. Oppenheimer's last act of faith in this country of golden opportunity was the planning of the Western Deep Level gold mine, the deepest and largest mine ever. This mine, expected to go down some 12,000 feet (the height of eight Empire State Buildings), is a truly amazing feat of engineering. It will produce a fortune expected to exceed \$3,800,000,000.

South Africa has produced gold worth more than \$15,635,-620,000 during the past seventy-seven years.

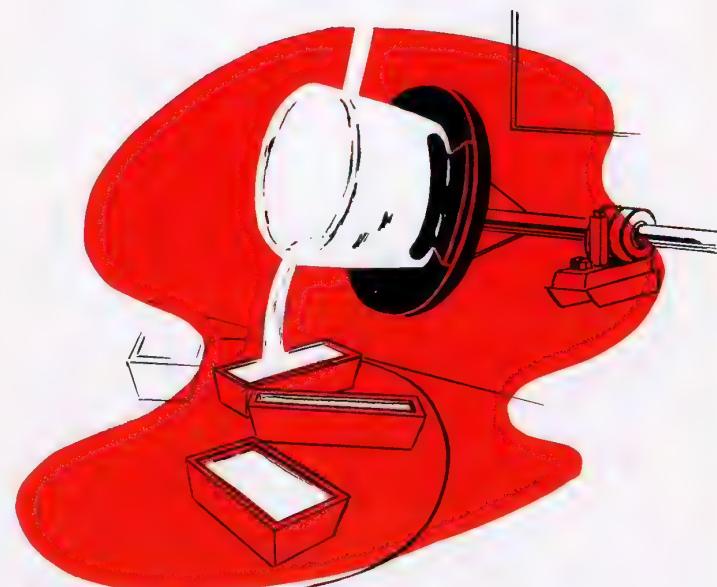
Since mineral resources are wasting assets, one would expect gold production to decline, but instead new records are attained each year. To the original mines of the Witwatersrand new ones are continually being added — on the East Rand, the Far West Rand, Klerksdorp and the Orange Free State.

The technical achievements of the South African gold mining industry are remarkable. With a fixed price for gold and costs continually rising, profits are being squeezed. Nonetheless the mines now profitably treat ores of a grade which fifty-two years ago were largely not worked. The average grade on the old Witwatersrand in 1910 was 6.8 dwt. per ton as compared with 6.861 dwt. per ton for 1963.

The Republic of South Africa produces 70 per cent of the free world's gold . . . a vast reef stretches over 250 miles in some places at a depth of over 12,000 feet in a rich arc through the Transvaal and Free State Provinces; and as older mines become worked out new ones arise. The recently established Orange Free State mines now produce more than 30 per cent of South Africa's gold . . . already more than Canada, the free world's second biggest producer.

The possession of a unique export article like gold, which is desired by all the world, was of great advantage to the young South African economy. Gold, as the final means of paying international debts, can enter doors which import controls close to other commodities.

With gold South Africa could, without undue difficulty, pay for the capital goods required to expand total national output. The gold industry created a market for the country's agricultural products, stimulated the development of manufacturing industry, and attracted enormous amounts of development capital to the Republic. Since the war alone, the gold mining industry attracted over \$518,000,000 in new capital — more than half of it from foreign countries.



Uranium

¹¹ South Africa's reserves of uranium oxide are estimated to total approximately 150,000 tons. At present production is at the rate of 4537 tons per year valued at about \$101,640,-000 but can be very substantially increased according to the demand.¹² The uranium content of South African ores range from eight ounces to 1½ pounds per ton compared with an average of 2 pounds per ton for American and Canadian ores. This disadvantage is offset at present by the fact that uranium is produced as a by-product from ore mined and crushed in the normal goldmining process.¹³

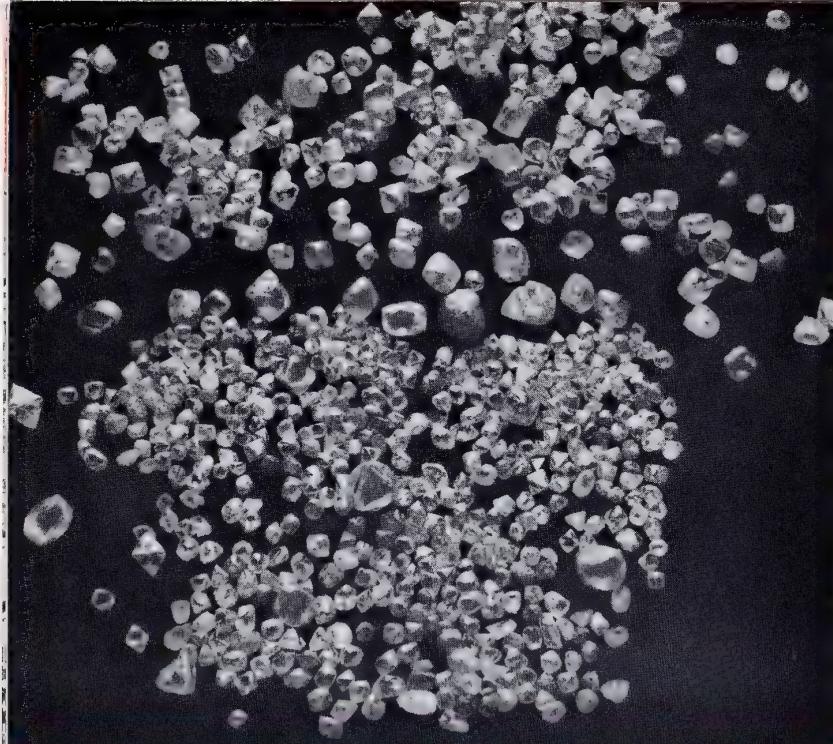
After a concerted effort on the part of the State, the mining industry and scientists both from South Africa and other parts of the world pilot uranium extraction plants were established and commercial production of uranium oxide was in progress by 1952. Thus South Africa became an important source of supply to the United States and Britain.

South Africa now has contracts to sell uranium oxide to the U.S.A. until 1966 and to Britain until 1973. It is expected that by the time these contracts expire, developments in new extraction and refining processes, now the subject of intensive research, will enable South Africa to compete successfully in the open world uranium market.

Apart from the production of commercial grade uranium oxide, a pilot plant for the production of nuclear grade uranium metal and compounds has been constructed and is now in operation in Johannesburg.

The Atomic Energy Board, which is the statutory body created to exercise control over all radioactive materials and the sale of uranium, has established the National Nuclear Research Centre at Pelindaba, near Pretoria, where the installation of a 20 MW ORR-type research reactor is nearing completion; it is expected to go critical early in 1965.

This reactor installation — known as SAFARI-I (South African Fundamental Reactor Installation) — is one of the main facilities acquired for the intensive nuclear research program planned by the Atomic Energy Board.



The first diamond in South Africa was picked up on the banks of the mighty Orange River in 1867 by a little boy who used the "shiny stone" as a marble. Diamond mining is still an important industry in South Africa—the largest producer of gem diamonds in the world. Diamonds occur in volcanic pipes which are being mined to depths of over 3,500 feet, or in alluvial deposits in river beds and along seashores. Recently undersea mining off the coast of South Africa showed such good results that this unusual method will doubtless be further exploited.



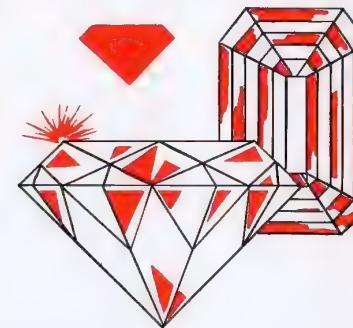
Diamonds

The diamond industry of South and South-West Africa has become the fairy godmother of American women. It brings the happiness of her engagement ring and the glamor of her jewelry.

South Africa produces a high percentage of gem stones, which makes the value of its diamond output the highest in the world.

Most of the important producers in Africa sell through the Central Selling Organization of the De Beers Group, thus giving South Africa control over the marketing of more than 90 per cent of the world's diamonds. A large percentage of the gem stones is bought by the United States.

South Africa also manufacturers synthetic industrial diamonds, similar to those manufactured in the United States. The highly secret process was developed by researchers of De Beer's Adamant Laboratory. A factory in Springs can produce sufficient industrial diamonds to meet the world demand for abrasive diamond grit for grinding purposes.



Coal

Of immense importance for the future development of the country are the vast coal reserves of the Transvaal, Natal



South Africa's coal reserves are among the most extensive in the world. The country produces about 90 per cent of all coal mined in Africa. This abundance of cheap coal has led to the establishment of SASOL, a gasoline-from-coal plant which is the largest of its kind in the world.

and Orange Free State, estimated at some 75,000,000,000 tons, or more than one-third the reserves of the Southern Hemisphere. South Africa produces 87 per cent of all coal mined in Africa. In 1961 total production was 43,612,000 tons.

Most South African coal deposits are shallow and the seams are extremely regular and nearly horizontal. Conditions are suitable for mechanized mining and, as in the gold mining industry, administration through centralized control increased efficiency.

The average monthly output per colliery is considerably higher than in Britain and the United States.

These factors enable South Africa to produce the cheapest coal in the world and the cheapest steam-generated electricity.

Comparative pithead prices per ton are:

South Africa (Transvaal)	(in \$) 1.69
Britain	7.45
Australia	6.13
United States	6.02
India	3.07

Gasoline and other chemicals are being produced from coal in the Republic and in due course South Africa is likely to develop into an important producer of chemical products based on coal.

Iron Ore

South Africa's cheap coal, coupled with the availability of extensive iron ore deposits has made possible the production of iron and steel at a low cost. The deposits are widely distributed and easily accessible. The reserves of high grade ore are estimated at 122,000,000 tons, while those of medium and low grade are practically limitless. South Africa possesses within its boundaries all the minerals needed for the alloying of steel.



Copper in South Africa has a fascinating history. Long before the arrival and permanent settlement of the white man three centuries ago, a now-vanished nation smelted copper from hillside quarries. The photograph shows copper ingots produced at Messina in the Transvaal waiting at the railyard before being freighted to their destination. A new copper mine now in the

Other Minerals

The Republic produces about half of the world's platinum, is the largest producer of antimony, one of the largest producers of asbestos and third on the international list with chromium, manganese and uranium.

South Africa's Rustenburg mine has become the largest platinum producer in the world. There are enormous reserves in the Transvaal Bush Veld and production could be increased many times if world demand required.

Probably the greatest chrome ore deposits in the world occur in the Lydenburg and Rustenburg areas of the Transvaal, while the Republic also has extensive deposits of manganese ore. Most of the chrome and manganese is exported in the form of ores to the United States and other industrial countries. The local production of ferrochrome and ferromanganese is, however, expanding.

Copper was the first mineral produced in South Africa. It is mined at Messina in the Northern Transvaal and by partly American interests at O'okiep in Namaqualand and Tsumeb in South-West Africa. A huge project for the large scale exploitation of low grade copper ores at Phalaborwa in the North-Eastern Transvaal, has been engaged upon by the same interests.

At Phalaborwa too the Phosphate Development Corporation (Pty.) Limited (Foskor) is rapidly making the Republic self-sufficient in phosphates.

Oil

The search for natural oil in South Africa has so far been fruitless, but recent investigation has shown that further searches could prove successful.

The State-owned Sasol organization produces oil from coal, which will satisfy approximately one-seventeenth of the gasoline demand and supply diesel oil and many important chemicals.

Manufacturing

Growth of Manufacturing Industry (Private, Government, Municipal etc.).

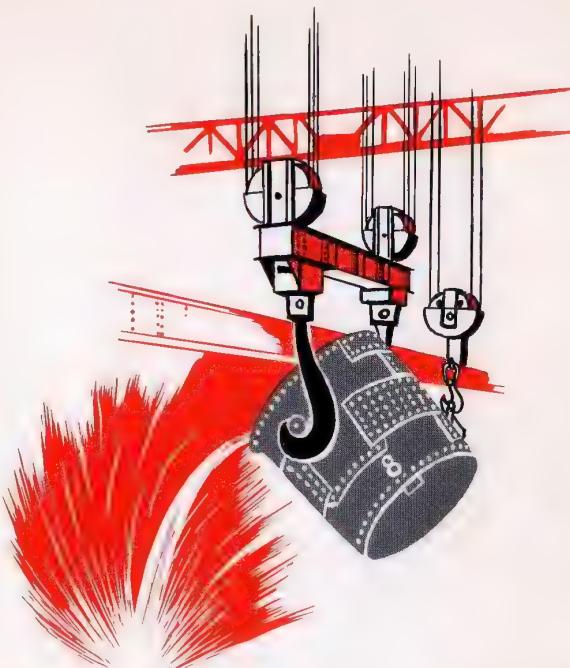
Year ended 30th June	No. of Establish- ments	No. of Employees (all races)	Fixed Assets (\$ million)	Gross Value of Output (\$ million)
1890.....	500	—	—	—
1911.....	2,473	65,916	—	48.1
1920.....	6,890	175,520	117.7	266.1
1930.....	7,695	218,298	186.2	313.0
1939.....	10,256	352,500	372.8	559.0
1945.....	10,877	488,661	476.1	1,050.0
1950.....	14,809	713,151	937.7	2,169.0
1951.....	15,604	754,879	1,135.5	2,688.0
1952.....	15,564	799,119	1,298.9	3,065.0
1953.....	16,065	819,640	1,466.4	3,262.0
1954.....	16,917	855,295	1,692.5	3,343.0

The following table is not comparable with the preceding one, since important changes in the method of enumeration were made by the Bureau of Census and Statistics.

Growth of Private Industry (Manufacturing, Construction, Electricity and Personal Services).

	No. of Establish- ments	Employment (all races)	Salaries & Wages (\$ million)	Gross Value of Output (\$ million)
1954-55.....	12,343	732,333	664.3	3,281.4
1955-56.....	12,610	742,830	670.0	3,442.8
1956-57.....	12,198	755,336	737.8	3,556.2
1957-58.....	12,611	770,643	781.9	3,757.2
1958-59.....	13,532	781,815	800.0	3,882.5
1959-60.....	14,308	772,814	811.8	4,143.2
1960-61.....	14,933	796,443	907.0	4,375.1

MANUFACTURING



While mining gave the first impetus to the development of modern South Africa, it is now being overshadowed by the phenomenal growth of the manufacturing industry. With a quarter of the national income already coming from secondary industry, South Africa is today among the advanced industrial countries of the world.

Industrial development on an appreciable scale started at the time of World War I, was stimulated by the policy of protection introduced during the twenties, and was highly accelerated during and after the Second World War.

The post-war development of South Africa has rightly been called an industrial revolution. The gross value of industrial output, only \$48,000,000 at the time of the formation of the Union of South Africa in 1910 and \$394,000,000 at the beginning of the Second World War, increased to \$4,143,000,000 in 1960.

Manufacturing

Gross Value of Output in Private Industry: 1960-61 - (\$ thousand).

Food	\$ 859,534
Beverages	127,025
Tobacco	57,114
Textiles	188,425
Clothing and Footwear	307,551
Wood	80,319
Furniture	68,984
Paper	139,387
Printing	116,634
Leather	26,082
Rubber (ex. tires)	23,138
Chemicals	371,477
Petroleum and coal products	104,670
Non-metallic mineral products	191,731
Basic metal industries	321,797
Metal products	371,571
Machinery	180,071
Electrical machinery	168,620
Transport equipment	48,472
Miscellaneous	98,986
Total manufacturing	\$3,851,588
Construction	370,437
Electricity and gas	127,740
Laundries and dry cleaners	25,463
Total all industries	\$4,375,228

(The above figures do not include motor vehicle assembly and manufacture of tires, batteries, parts and accessories, estimated at \$280,000,000 for 1961-1963.)

Location of Industries 1959-60 (Private Manufacturing only)

	Number of Establishments	Employees All Races	Salaries and Wages \$1,000	Gross Value of Output \$1,000
Western Cape	1,564	99,772	113,996	566,580
Port Elizabeth/Uitenhage	449	29,880	31,980	165,018
East London	163	9,413	8,660	41,070
Durban/Pinetown	1,058	76,652	82,333	530,000
Southern Transvaal	3,975	261,487	331,797	1,463,889
Pretoria	398	31,971	43,394	162,112
Rest of Republic	3,052	136,557	96,719	681,881
Total for Republic	10,659	635,732	\$708,879	\$3,610,500

Manufacturing

Ample and inexpensive supplies of coal, iron ore and electric power were an excellent basis for industrial development, while the base mineral industries, agriculture, forestry and fisheries added many more raw materials.

South Africa's industrialists have proved to be second to none, and although factory work is new to many non-whites, they promise to make an important contribution given the right training.

While Government industries play a relatively small role in comparison with private manufacturing, a few public enterprises have been of great value in accelerating South Africa's industrialization.

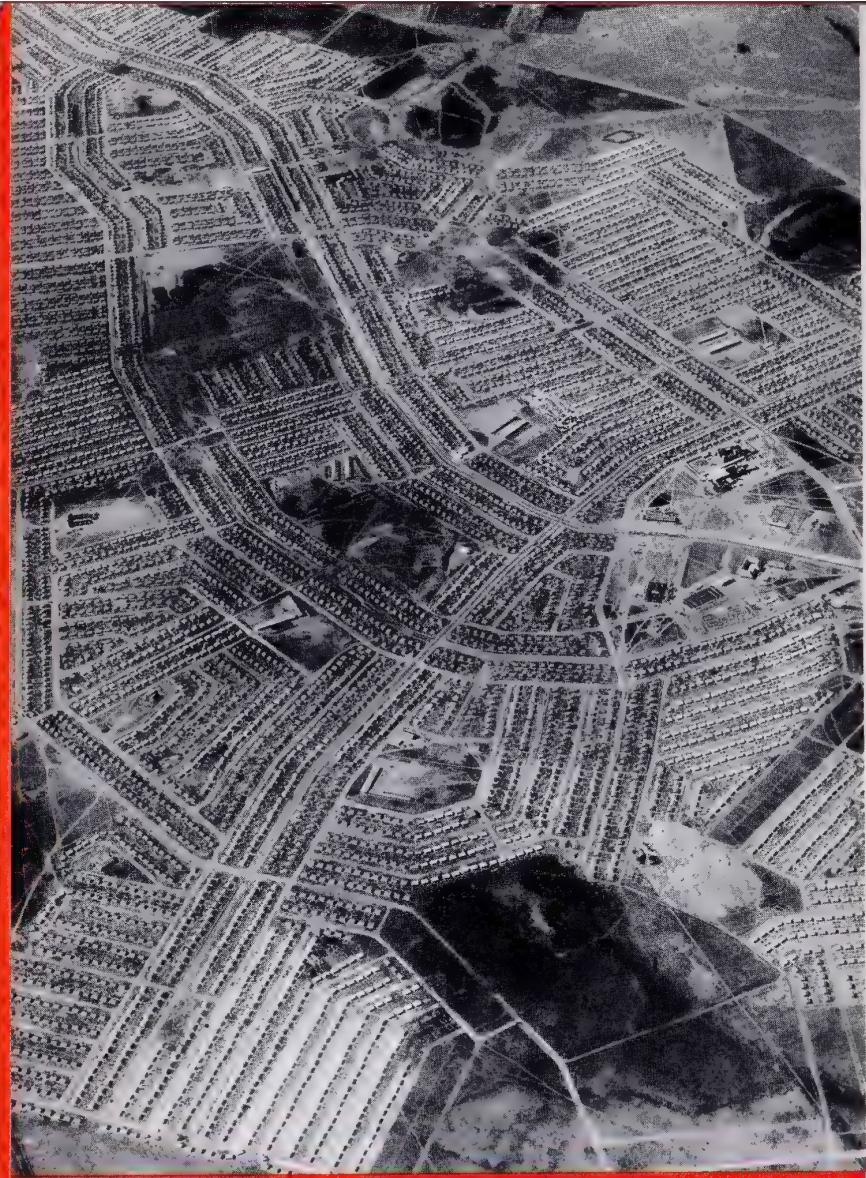
The Electricity Supply Commission (Escom), started by the Government in 1923, today supplies the bulk of the country's electricity needs.

The Iron and Steel Industrial Corporation (Isco), not only provided a basis for further industrial development, but is competitive in world markets and can today export steel to the United States and Europe.

The South African Coal, Oil and Gas Corporation (Sasol), the Government oil-from-coal plant, is playing an important part in promoting the chemical industry.

South Africa has industries as varied as those of the great industrial nations. Development has been especially rapid in the metal and engineering industries, in the food, beverages and tobacco industries, and in textiles and clothing.





South Africa is generally recognized as being a world leader in the field of housing. Nowhere in Africa can workers be said to be housed as well or as cheaply as in South Africa. This aerial photograph showing but a portion of the housing project at Daveyton (Transvaal Province) gives a good impression of the housing layout. Daveyton boasts water, electricity and waterborne sewerage thru-out. The rental per two-roomed brick house, plus bathroom and kitchen is \$5.50 per month and for a three bedroomed house it is \$7.00 monthly. No wonder so many illegal immigrants from neighboring Black states try to infiltrate into South Africa to share in its great wealth and social services.

FINANCIAL STRUCTURE

For a young country South Africa has a well developed financial structure.

At the top is the South African Reserve Bank, central bank of the Republic. This bank, performing all the usual central banking functions as well as buying the output of the gold mines, has played an important part in facilitating the economic development of South Africa. It was established in 1921.

The Republic has an extensive and efficient system of nine commercial banks including branches of the Chase Manhattan Bank and the First National City Bank of New York, with total assets of \$2,146,200,000 compared with \$996,-800,000 in 1946. These banks limit themselves mainly to the provision of working capital in the forms of short-term overdrafts and discounts. Recently they also started moving into the field of hire-purchase (instalment) finance.

The South African building societies, mobilizing the savings of the small man and investing them in mortgage loans on buildings, have grown vigorously since the war and have total assets almost equal to those of the commercial banks — \$1,920,800,000 in 1962 against \$394,800,000 in 1946.

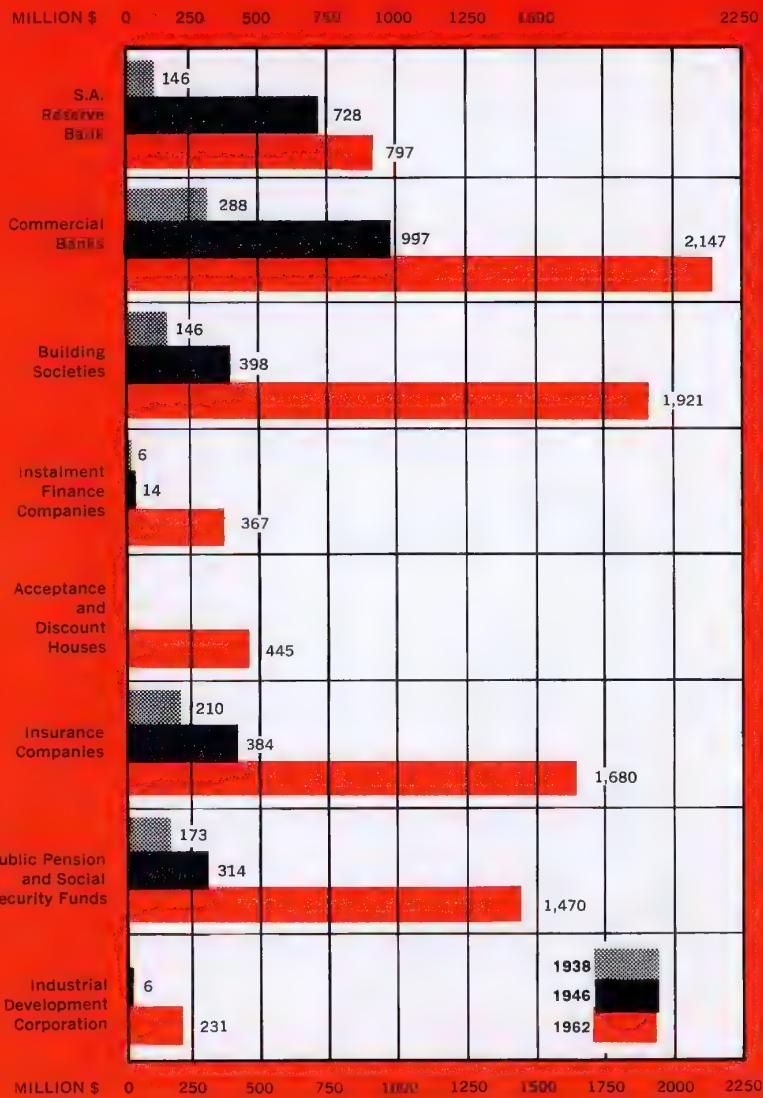
The hire-purchase finance companies, specializing in discounting hire-purchase contracts or lending money against the security of such contracts, have also grown remarkably. Their assets increased from \$14,000,000 in 1946 to \$366,800,000 in 1962.

The short-term money market has been developing rapidly since 1949 and a growing number of institutions are concentrating on the mobilization of temporarily idle funds of banks and other financial institutions for investment in liquid assets, such as government bills, trade bills and short-term gilt-edged securities.

Financial Structure

Growth of Financial Institutions

Total Assets in (\$ Million)



Financial Structure

South African insurance companies, with total assets of about \$1,680,000,000 in 1962 against \$383,600,000 in 1946 have reached an advanced stage of development. While approximately two-thirds of their assets are held in the form of mortgage loans and the securities of Government and other public bodies, they are making an important and increasing contribution to the development of private business through investment in corporate stocks and bonds. As in the case of insurance companies, there is still wide scope for greater participation by pension and other social security funds in investment in corporate securities. The funds of public authorities alone have assets exceeding \$1,470,000,000.

The Johannesburg Stock Exchange, inaugurated in 1887, is now the only stock exchange in the Republic. It has members throughout South Africa. The Exchange has experienced a remarkable growth in the past two decades, the number of companies with quotations increasing from 265 in 1938 to 1,224 in 1962.

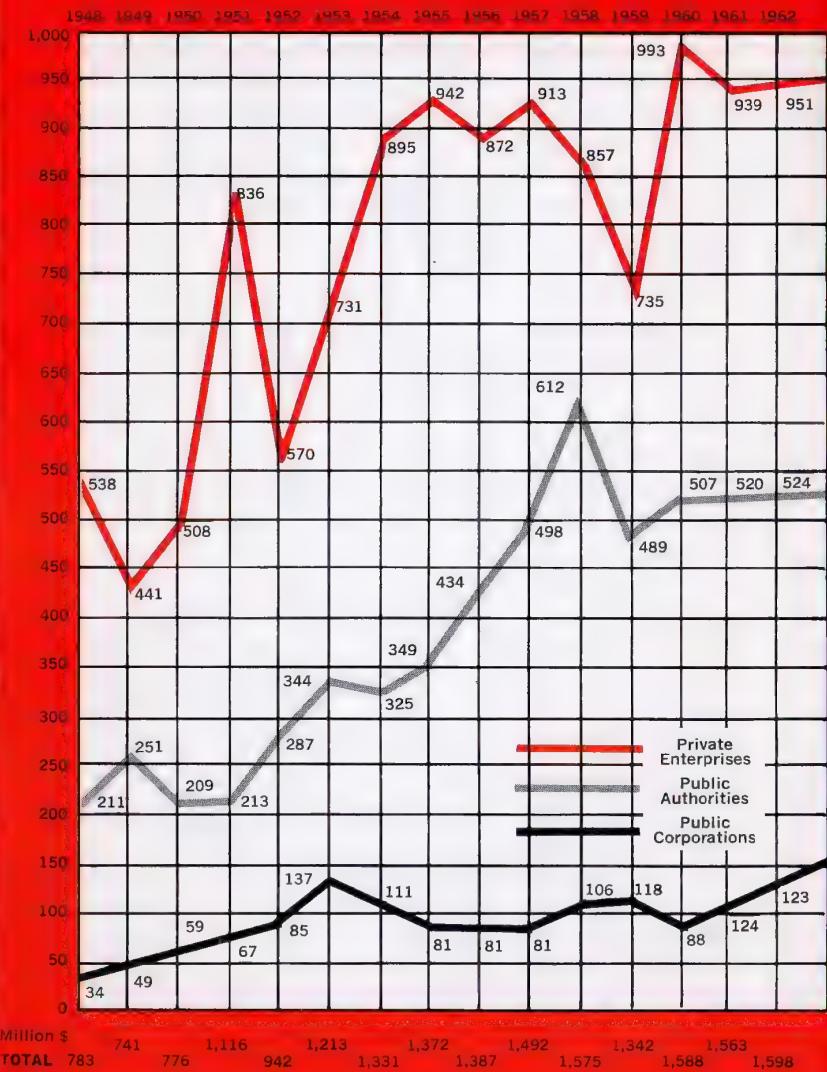
In the same period the total market value of quoted securities increased from \$1,900,000,000 to \$1,202,300,000.

Especially notable was the fast growth of the number of industrial companies with quotations from \$123,000,000 in 1938 to \$1,626,800,000 in 1962, reflecting the growing importance of manufacturing industry in the country's economy.

A special feature of the South African financial scene is the development of the so-called mining houses. They are investment houses and holding companies exercising centralized control over a wide variety of mining enterprises, making possible large-scale operations and the attainment of a high standard of efficiency. The mining houses have also acquired extensive interests in other fields such as forestry, real estate, manufacturing industry and lately financial institutions as well. Some of these houses have a very well balanced spread of interests, an example being the Anglo American-De Beers group with interests in gold,

Financial Structure

Gross Capital Formation – (\$ Million)



Financial Structure

diamonds, copper and other base minerals, manufacturing industry and financial institutions.

Among the more usual type of investment companies is numbered the American-South African Investment Company, a United States closed-end investment trust with investments exceeding \$49,000,000 in South African mining shares.

The Industrial Development Corporation was established by the Government in 1940 to promote industrial development in South Africa by providing medium and long-term financing to promising firms. The I.D.C. lends assistance to new ventures as well as established firms embarking on expansion or modernization. The corporation acts as underwriter, subscribes for shares itself or makes loans available.

The I.D.C. has played an important part in financing two big Government enterprises — Sasol, the oil-from-coal project, and Foskor, the phosphate development corporation.

The corporation has co-operated with overseas firms in establishing a number of very important new industries, such as the rayon pulp industry at Umkomaas and the carbon black plant in Port Elizabeth.

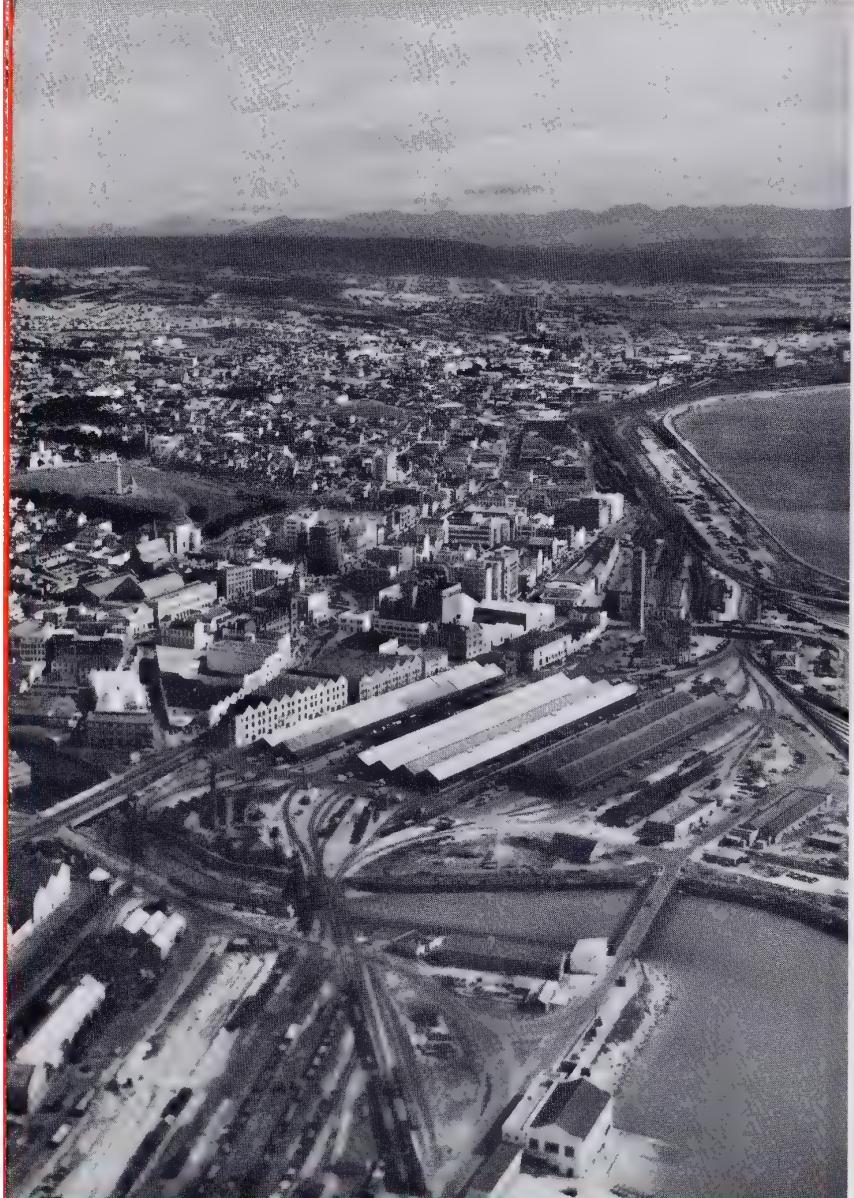
To sustain the rapid growth of the Republic's economy South Africans have had to save a high percentage of their national income. In the post-war period approximately 25 per cent of the national income was spent on capital goods.

Gross Capital Formation

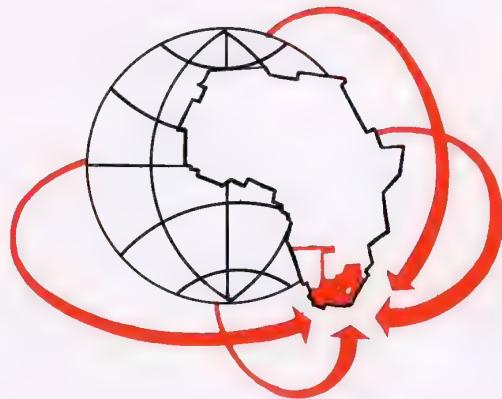
Gross capital formation in South Africa increased from \$568,400,000 in 1946 to \$1,597,400,000 in 1962. South Africa's annual savings amount to between \$1,400,000 and \$2,100,000 per year.

The South African economy has, therefore, reached a stage where a reasonable rate of growth can be maintained from internal savings alone. Additions of foreign capital will, however, still be very useful to accelerate the rate of growth, and are welcomed by the Government.

FOREIGN INVESTMENT IN SOUTH AFRICA



The City of Port Elizabeth in the Eastern Cape Province. This city was the landing place of the 5,000 British 1820 Settlers who were sent by the Colonial Government to farms on the turbulent Eastern Frontier of the then Cape Colony. These Settlers, unused to South African conditions soon established themselves in towns and were largely responsible for preserving the English heritage and language in South Africa. English is, with Afrikaans, one of the country's two official languages.



It has always been the policy of South African governments to encourage overseas investment in South Africa. The South African people and government have traditionally been strongly in favor of private enterprise. Government spokesmen have repeatedly stated that they have no intention of entering any field of activity where private enterprise shows itself willing and able to do so.

No South African government has ever placed restrictions on the payment of dividends to foreign shareholders.

The rates of taxation in South Africa are low in comparison with those in most of the advanced industrial countries. The rate of normal income tax on public and private companies (other than gold and diamond mining companies) is 30 cents per Rand.

Fiscal policy in recent years was aimed at the encouragement of saving and investment. The exemption limit for super tax was raised, and increased use was made of investment allowances and accelerated depreciation allowances for tax purposes. The tax on retained earnings of public companies was abolished.

Foreign Investment in South Africa

United States Investment in South Africa - 1960 (\$ Millions)



Foreign Investment in South Africa

In the case of mines, all capital expenditures can be charged off against current income before paying any income taxes and losses may be carried forward until a profit is realized.

The increasing participation of overseas firms in the South African economy is reflected in the country's foreign liabilities, which grew from \$3,906,000,000 in 1956 to \$4,215,400,000 in 1962.

Britain is still responsible for more than half the foreign investments in South Africa. In 1960 that country had interests totalling about \$2,538,200,000 in South Africa, while the Americans had investments amounting to \$590,000,000 in South Africa.

The most important foreign investors in South Africa, besides Britain and the United States, are France (\$231,000,000), Switzerland (\$172,200,000) and other Western European countries such as Western Germany, Belgium, Holland and Italy with about \$184,800,000.

American investments in South Africa are mainly in mining and manufacturing industry, as the table shows.

The American companies in South Africa have done extremely well.

According to figures in the Statistical Abstract of the United States (1962), the average total return on American direct investments in South African mining in 1960 was 29 per cent and in manufacturing nearly $7\frac{1}{2}$ per cent.

Of the more than 160 United States firms with direct investments in South Africa, twelve are in the automotive field, thirteen in drugs and cosmetics, twelve supply electrical equipment and appliances, and fifteen industrial equipment. There are ten each in food and farm equipment and other manufacturing fields.



Value of International Trade

IMPORTS *

	\$ 850,920,000
1950.....	\$ 850,920,000
1951.....	1,307,040,000
1952.....	1,166,760,000
1953.....	1,188,880,000
1954.....	1,228,920,000
1955.....	1,346,770,000
1956.....	1,385,680,000
1957.....	1,539,490,000
1958.....	1,558,610,000
1959.....	1,215,000,000
1960.....	1,241,800,000
1961.....	1,331,120,000
1962.....	1,325,931,600
1963.....	1,385,516,000

MERCHANTISE **

Exports	Net Gold Output
\$ 626,360,000	\$411,600,000
815,920,000	420,280,000
799,960,000	425,180,000
829,640,000	427,980,000
927,640,000	461,020,000
1,032,920,000	511,700,000
1,154,160,000	552,860,000
1,264,480,000	600,040,000
1,093,120,000	616,281,400
1,201,000,000	704,760,000
1,239,000,000	747,280,000
1,404,436,600	805,840,000
1,431,035,200	89,520,000
1,699,320,000	96,390,000

*F.O.B. **F.O.B. includes imported merchandise that is re-exported and sales of fuel and supplies to foreign ships.

SOUTH AFRICA'S FOREIGN TRADE



International trade plays a very important part in the South African economy.

Imports have averaged about 30 per cent of national income since 1950, but have dropped below this figure since 1959. Exports, even excluding gold, averaged 21 per cent of national income in the 13 years since 1950. Gold, of course, plays a dominating role in South Africa's foreign trade. The net gold output amounted to \$963,900,000 in 1963 in comparison with total merchandise exports of \$1,385,160,000.

Primary products make up the bulk of the Republic's exports although foreign sales of manufactured goods, especially to the neighbouring Rhodesias, have increased rapidly since the war. Two groups of commodities account for more than half the country's exports excluding gold: — agricultural and pastoral products, and foodstuffs; and metals, metal manufactures, machinery and vehicles. The most important single export products, besides gold, are wool, skins and

Main Imports and Exports - (\$ million)

	IMPORTS			EXPORTS		
	1960	1961	1962	1960	1961	1962
Animal, Agricultural and Pastoral products	13.3	13.4	14.8	227.9	237.9	242.9
Foodstuffs	68.9	57.4	55.3	229.0	286.9	345.4
Ales, Spirits, Wines, Beverages	5.9	5.0	5.6	9.7	10.6	10.2
Tobacco	5.4	5.0	5.5	2.9	3.6	4.5
Fibres, Yarns, Textiles, Apparel	255.8	227.2	223.3	195.6	193.8	147.7
Metals, Machinery, Vehicles	704.6	620.1	625.7	366.1	373.9	330.4
Minerals, Earthenware, Glassware	58.7	54.7	54.2	123.8	142.2	136.1
Oils, Waxes, Resin, Paints and Varnishes	143.6	130.5	131.3	28.0	29.7	25.5
Drugs, Chemicals and Fertilizers	74.2	72.9	76.7	15.8	19.2	16.5
Leather, Rubber and Manufactures thereof	42.0	34.7	35.0	15.4	11.9	9.8
Wood, Cane, Wicker and Manufactures thereof	37.1	28.7	24.5	18.6	18.6	19.2
Books, paper and Stationery	66.0	59.6	58.7	7.7	7.7	7.7
Jewelry, Time pieces, etc.	23.3	19.9	19.9	32.9	35.4	32.9
General	56.0	75.2	81.8	18.1	16.8	18.6

Foreign Trade by Country - 1962 (\$ Million)

COUNTRY	IMPORTS FROM	%	EXPORTS TO	%
Britain	\$ 434	29.1	\$ 405	28.4
United States	237	15.9	122	8.5
W. Germany	144	9.7	60	4.2
Japan	59	4.0	101	7.1
Rhodesia and Nyasaland	38	2.5	133	9.3
Canada	36	2.4	14	0.9
Other Countries	542	36.4	592	41.6
TOTAL	\$1,490	100.0	\$1,427	100.0

hides, fresh and canned fruit, corn, uranium, diamonds and metals and base minerals. The group metals, machinery, etc., account for nearly one-third of exports and, with the present expansion of the steel and allied industries, will probably become even more important in the future.

Manufactures account for approximately 80 per cent of the Republic's imports, with foodstuffs, industrial raw materials and semi-manufactured goods making up the rest.

Almost half the imports consist of metals, metal manufactures, machinery and vehicles. Despite the rapid growth of South Africa's industrial plant, the proportion of imports in this group compared with total imports, increased appreciably during the fifties.

Large quantities of textiles, textile fibres and clothing, as well as crude and refined petroleum, are imported.

Direction of International Trade

Britain and the United States are South Africa's most important trading partners.

Britain purchases about one-third of South Africa's exports and supplies approximately the same percentage of its imports. The United States is the second biggest source of imports, with West Germany third. The United States is also second on the list of export markets.

Until 1957 American exports to South Africa far exceeded those from the European Common Market countries. Since then Common Market exporters have caught up with and surpassed American sales.

United States Trade with South Africa

The United States is South Africa's second most important trading partner and the aggregate trade between the two countries exceeded \$427,000,000 in 1962. From the American point of view, South Africa occupied fourteenth position as a trading partner.

South Africa's Foreign Trade

United States Imports from South Africa

	1958	1959	1960	1961
	(Million Dollars)			
Total All Products	201.5	194.0	201.3	205.5
Fish, frozen and canned	1.2	.5	.7	1.6
Lobster, frozen and canned	7.1	9.9	10.3	11.6
Hides and skins	.6	.9	1.0	.5
Fur skins	3.8	2.7	2.1	2.7
Ostrich feathers	.2	.3	.3	.4
Fish meal and fertilizer	.9	1.4	.8	1.0
Fruit, fresh and preparations	1.0	.2	.8	.8
Tanning extract	1.5	1.5	1.0	1.1
Twine and fibre	.7	.6	.5	.6
Wool, raw	13.8	20.5	17.1	24.1
Wool, semi-manufactures	.7	1.0	1.1	.7
Wool, apparel	—	.3	.1	.2
Wood, pulp	.3	1.7	1.4	.15
Synthetic Wax	.5	.6	.5	.5
Fluorspar	—	.1	.2	—
Asbestos	6.7	6.4	6.5	6.5
Other Minerals	.4	.4	.3	.3
Diamonds	12.8	15.4	15.8	20.7
Pig Iron	—	—	.3	.1
Steel products	—	6.8	2.4	.5
Manganese ore and ferro manganese	7.0	5.2	8.1	8.6
Chrome ore and ferro chrome	5.2	7.4	5.4	6.3
Other metallic ores	.4	.3	.3	.6
Copper	12.8	8.9	18.3	12.7
Lead concentrates	10.2	6.5	7.2	6.7
Zinc concentrates	4.0	.9	1.9	1.5
Antimony ore	.2	.5	.5	.7
Electrical Machinery	.4	.9	.7	.1
Automobile parts	—	—	.1	.1
Phthalic Anhydride and Naphthalene	—	—	.2	—
Sodium Chromate/bichromate	.3	.3	.4	.3
Germanium Dioxide	—	—	—	1.1
Sugar and molasses	—	—	—	.6
Starch	—	—	—	.2
Maize Oil	—	—	—	.1
Uranium oxide	107.2	89.8	92.2	86.8

United States Exports to South Africa

	1959	1960	1961
	(Million Dollars)		
Total All Products	220.4	278.8	227.8
Animal Products, edible	.8	1.2	1.4
Tallow and other oils	3.5	4.1	2.8
Leather	2.4	2.1	2.4
Other Animal products	.3	.5	.4
Grains and preparations	7.4	2.8	6.0
Other Vegetable products	1.1	1.1	1.1
Rubber and Manufactures	8.0	8.2	7.2
Inedible Vegetable products	1.8	2.5	2.1
Cotton and Manufactures	14.0	18.4	16.2
Man-made fibres and Manufactures	18.8	18.7	15.8
Other Textile products	3.8	4.0	3.7
Wood and Manufactures	3.1	4.0	1.2
Paper and Manufactures	8.1	10.1	10.2
Petroleum and products	8.2	9.2	9.3
Nonmetallic mineral products	4.4	4.9	4.5
Metals and Metal Manufactures	6.6	15.7	7.7
Automobiles and parts	25.1	31.7	22.3
Other Machinery and parts	62.8	93.8	74.3
Chemicals and related products	26.3	28.7	26.5

South Africa's Foreign Trade

United States exports to South Africa averaged \$254,-000,000 per annum during the five years 1955-1959 and increased to \$276,000,000 in 1960, but then decreased to \$227,800,000 in 1961.

The decline in American exports to South Africa during 1961 amounted to more than 17½ per cent compared with 1960 and was considerably larger than the 9½ per cent decrease in South Africa's imports from all sources.

Statistics for the first half of 1962 disclose a substantial increase in United States imports from South Africa with a total of \$126,610,000, compared with \$100,620,000 for the first half of 1961. This increase was mainly due to larger imports of wool, diamonds, uranium oxide, germanium oxide, steel products, rock lobster, fish products, maize oil and sugar. On the other hand United States exports to South Africa decreased by \$10 million during the first half of 1962 and amounted to \$112,530,000 compared with \$122,800,000 for the same period of 1961.

As a result of these developments the balance of trade between South Africa and the United States which had always been in favour of the United States, moved in South Africa's favour for the first time.

United States imports from South Africa amounted to \$205,462,000 in 1961 compared with \$201,317,000 in 1960.

Minerals, ores and diamonds have for many years been the principal commodities exported from South Africa to the United States, but other commodities are gradually gaining in importance and in 1960 non-mineral products accounted for 40 per cent of South Africa's exports to the United States compared with only 27 per cent in 1957.

At present most of South Africa's trade is with the Eastern seaboard but a South African trade mission which visited the United States in 1961 reported potentially good trading opportunities between the Republic and the fast growing areas of the South.

Canadian Exports to South Africa

	Value (Canadian \$)	
	1959	1960
Agricultural products, edible	15,805,200	7,780,606
Agricultural products, inedible	132,315	55,865
Wines, spirits, etc.	2,629	5,892
Animals and animal products	3,087,653	1,971,291
Fibres, textiles and products	585,006	573,714
Wood and wood products	14,146,368	17,260,512
Iron and iron products	10,398,042	14,031,639
Non-ferrous metals and products	3,407,894	5,757,424
Non-metallic minerals	120,011	201,321
Chemicals and allied products	2,217,452	3,086,818
Miscellaneous commodities	1,474,752	1,890,390
	51,377,332	52,655,472

Canadian Imports from South Africa

	Value (Canadian \$)	
	1959	1960
Agricultural products, edible	2,395,852	5,362,983
Agricultural products, inedible	137,387	361,352
Wines, spirits, etc.	648,227	709,997
Animals and animal products	384,497	471,490
Fibres, textiles, etc.	292	517
Wood and wood products	50	119
Iron and iron products	921,601	689,128
Non-ferrous metals and products	—	1,879,047
Non-metallic minerals	1,588,826	1,740,162
Chemicals and allied products	379,736	68,154
Miscellaneous commodities	175,444	198,742
	6,631,912	11,481,876

South Africa's Trade with Canada

South Africa's trade with Canada, the world's fourth trading nation, has increased in recent years. The South African trade mission to Canada in 1961 reported that opportunities exist to expand this trade still further.

Canada's exports to South Africa increased from \$51,000,000 in 1958 and \$51,400,000 in 1959 to \$52,700,000 in 1960. Main items in Canadian exports to South Africa are timber, pulp and newsprint, automobiles and automobile parts, and primary aluminum.

Canadian imports from South Africa increased from \$6,600,000 in 1959 to approximately \$14,000,000 in 1962. The increase by more than 127 per cent was due mainly to increased imports of sugar, manganese ore and tobacco.

Other important imports from South Africa include canned fruit, fruit juices, canned fish, fresh oranges and grapes, wines and brandies and various minerals.





Food Industry

Based on an ample supply of raw materials, the food processing and canning industry has become the biggest group of South Africa's manufacturing industries:

	Number of Establishments	Employees All Races	Salaries and Wages \$1,000	Cost of Materials (\$ Million)	Gross Value of Output \$1,000
1954-55.....	1,526	91,825	64.3	490.7	644.0
1955-56.....	1,524	98,020	70.4	531.4	701.0
1956-57.....	1,480	100,572	73.6	528.8	710.0
1957-58.....	1,482	101,873	76.6	549.9	744.0
1958-59.....	1,494	102,232	80.2	600.5	804.0
1959-60.....	1,537	96,361	83.7	601.3	812.0
1960-61.....	1,556	97,301	84.7	621.5	859.5

DEVELOPMENT AND POSSIBILITIES

The South African population is expected to increase from the present 17,065,000 to a figure of between 26,000,000 and 30,000,000 at the end of the century.

This population growth will ensure a rapidly increasing market, thereby eliminating one of the obstacles to more rapid economic growth at the moment. On the other hand, it is a formidable challenge to the country to gear its economic development to keep pace with the rapid population growth.

While agriculture and mining are both capable of considerable expansion, the greatest growth potential exists in manufacturing industry.

Agriculture

Experts are confident that, with the extension of scientific methods in agriculture, South Africa will have no difficulty in feeding a population three times that of the present. Increased mechanization and the application of more scientific methods promise to be a feature of the development of forestry and fishing as well. The production of corn, wheat, meat, oilseeds, dairy products and sugar can all be materially increased.

In the field of food processing and preservation, canning and freezing, new adjustments will have to be made.

Wool will continue to play an important part in the clothing field and the Republic's wool-processing industries are assured of expansion. South Africa's worsted products now compare with the best in the world and the worsted textile industry will be of great importance to South Africa during the sixties.

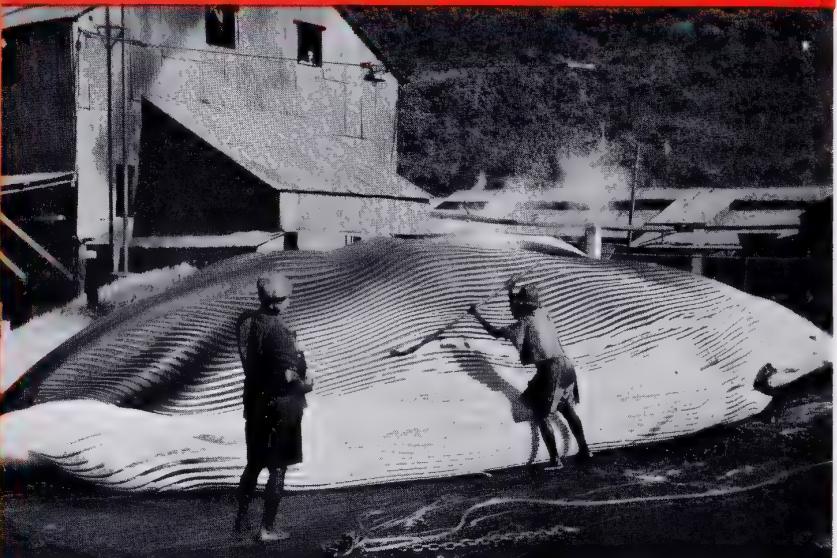
The cotton textile industry can be another field offering employment to tens of thousands of nonwhites.

Forestry

The timber obtained from the 2.4 million acres of man-made forest in the Republic provides upwards of fifty million wooden containers, 40% of its softwood structural timber requirements, all its kraftpaper and more than half



"Down to the sea in ships . . ." Always the same glittering harvest, the windy days and uncertain nights . . . gnarled hands draw in the net . . . puckered faces scan the horizons for new shoals and modern echo-sounders bleep in well-equipped cabins. The fishing industry in South Africa has expanded so rapidly since 1945 that the country has become the largest producer of fish products in the Southern Hemisphere. Above: a catch of pilchards off the South West African Coast and below: flensing a whale at Durban.



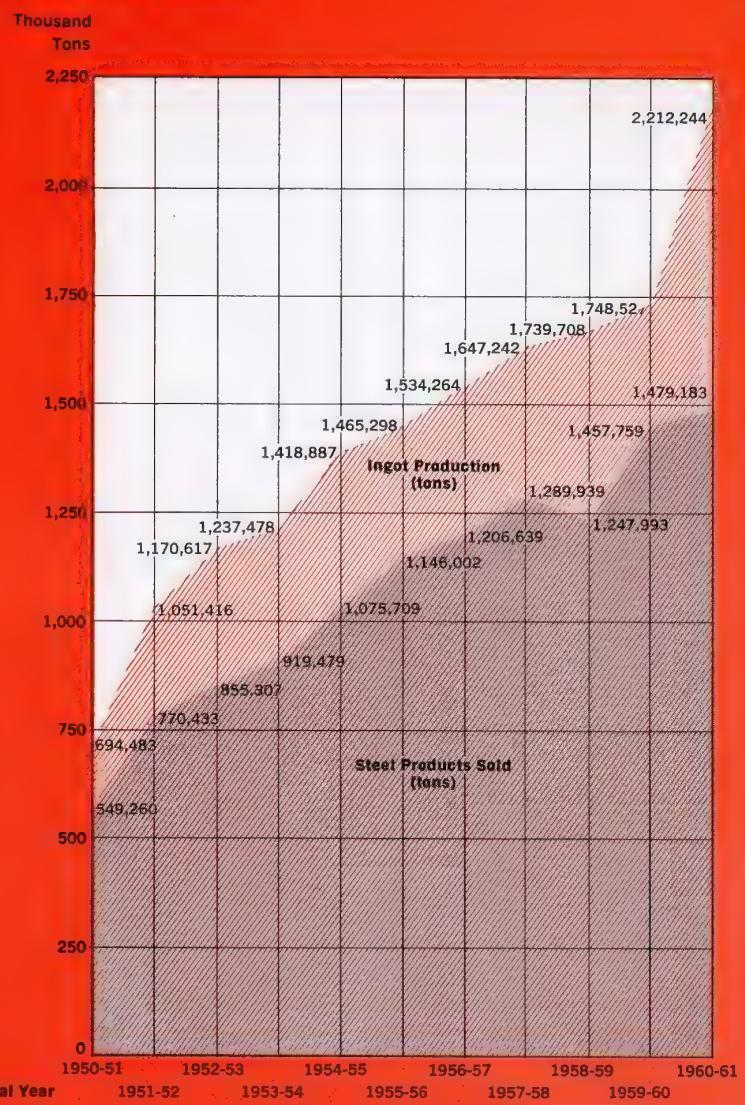
its newsprint needs, its entire requirements of supporting timbers for the mines, more than its domestic requirements in fibreboards and hundreds of thousands of creosote treated poles for farming and other purposes. In addition the Republic of South Africa exports considerable tonnages of rayon pulp. The afforested area contributes more than £35,000,000 (or nearly 100,000,000 dollars) to the country's industrial output. The forest industry, including its ancillary wood industries, has an annual wage bill of approximately £10,000,000 (28,000,000 dollars) and gives employment to 110,000 production workers. It is estimated that by 1980 the plantations together with the areas still to be afforested, will have reached a sustained yield, including all types of timber, of 420 million cubic feet per annum (12 million cu. meters) and the country will be self sufficient in all its timber requirements except possibly paper and pulp. The contribution of forestry to the general economic development will in this way have doubled within 15 years.

Although South Africa is a sparsely wooded country, forestry is playing an increasing role in industry. Paper production, based on fast-growing exotic woods, is certain to expand and some hardboard factories have been so successful that they have found ready markets in many countries including the United States.

In Natal, particularly favorable conditions exist for the establishment of wood-processing industries because of the availability of water, the greater facilities for effluent disposal into the sea and the proximity of ample labor from the adjoining Bantu areas. The successful rayon pulp industry in this area is an example.

Fisheries

The spectacular advance of South Africa's fishing industry will continue. Intensified research, the use of the most modern methods in catching and processing fish, and the formation of strong, stable financial groups have placed this industry in a favorable position to exploit the excellent opportunities presenting themselves.

Rise in Steel Production**Mining**

In mining, the ever-expanding gold mining industry is still heading for production records as the new mines of the Orange Free State, the Far West Rand, Klerksdorp and the Kinross areas begin making their contributions. This important pillar of the South African economy is growing still stronger.

The diamond industry is also capable of adding new records to its impressive list of achievements.

American interests will play an important part in expanding the South African copper industry. In South-West Africa, the Tsumeb Corporation — an American backed firm — will spend \$25,200,000 on expansion at its mine, including a new copper smelting plant, a lead smelting plant and a refinery.

At O'okiep in the northwestern Cape, Americans are spending \$7,000,000 on equipment for a new copper mine.

Newmont Mining Corporation of New York has begun a four-year surface drilling program to explore the possibilities of the extensive low-grade copper deposits in the Phalaborwa area. If Newmont decides to exploit the copper, it will cost \$84,000,000 to \$98,000,000 to bring a mine to the production stage.

Industry

The phenomenal rate of industrial growth since the war has slowed down somewhat since the mid-fifties, but a new wave of expansion seems destined to carry the Republic to new heights.

Capital expenditures of the order of \$2,996,000,000 in new industrial expansion in the next few years have been announced already and are, according to Government economists, likely to be far exceeded. These include expansion of \$840,000,000 in iron and steel, \$560,000,000

Metal Working and Engineering Industry.

The metal working and engineering industry owes its rapid advance to the establishment of the South African Iron and Steel Industrial Corporation. The industry has developed as follows (private establishments only):

	Number of Establishments	Employment (All-Races)	Gross Value of Output (\$1,000)
Basic Metal Industries:			
1954-55.....	111	29,490	128,571
1955-56.....	117	33,263	160,578
1956-57.....	116	36,341	174,035
1957-58.....	118	37,261	179,878
1958-59.....	118	38,260	257,000
1959-60.....	124	38,117	285,889
1960-61.....	129	40,292	321,797
Metal Products, except Machinery and Transport Equipment:			
1954-55.....	942	64,757	201,185
1955-56.....	979	63,207	197,278
1956-57.....	980	65,644	209,257
1957-58.....	999	67,468	227,242
1958-59.....	1,031	67,973	316,205
1959-60.....	1,104	67,993	335,294
1960-61.....	1,183	69,840	371,571
Manufacture of Machinery, except Electrical Machinery:			
1954-55.....	324	26,638	81,328
1955-56.....	366	26,966	88,478
1956-57.....	351	27,229	95,650
1957-58.....	372	28,975	101,464
1958-59.....	411	29,907	155,607
1959-60.....	428	28,790	156,996
1960-61.....	459	29,821	180,071
Manufacture of Electrical Machinery, Apparatus and Supplies:			
1954-55.....	655	22,166	78,871
1955-56.....	669	22,060	86,886
1956-57.....	688	23,387	95,250
1957-58.....	721	24,217	98,357
1958-59.....	773	25,795	102,036
1959-60.....	829	25,516	154,616
1960-61.....	884	27,798	168,620
Manufacture of Transport Equipment:			
1954-55.....	324	16,486	120,943
1955-56*	277	9,856	31,381
1956-57.....	252	9,356	34,421
1957-58.....	234	9,705	35,372
1958-59.....	230	9,613	49,722
1959-60.....	238	8,491	41,698
1960-61.....	230	8,878	48,472

*(The decline from 1954-55 to 1955-56 was due to a change in the enumeration method, automotive products being excluded.)

in electric power, \$84,000,000 in the production of gasoline and other chemical products from coal, \$560,000,000 in transport and upwards of \$756,000,000 in other projects. In addition, industrial development will be strongly stimulated by the Orange River Project, the biggest single water, irrigation and hydro-electric power project ever to be undertaken in Africa. This plan is in the same category as the Tennessee Valley Authority and, upon completion, will cost more than \$630,000,000.

But even with the unprecedented industrial expansion of the past twenty years and the vast future development plans at hand, only a fraction of the country's raw material possibilities have been developed. The greater part of the abundant resources of South Africa are still largely unused. Investigation and research is constantly adding to the great wealth of resources still lying hidden.

As indicated, sizeable industries have already been founded upon both base minerals and agricultural products, and some of these have become important exporters of finished and semi-finished goods. These include metal goods of many kinds, clay and lime goods, chemicals and insecticides, leather-ware, sugar, rayon, paper, tanning extracts and food.

Base Minerals:

South Africa has, however, only begun to benefit from many of its important base minerals such as chrome and manganese. Anglo American Corporation and a Swedish company, Avesta, are setting up a low carbon ferrochrome plant.

Numerous investigations are also being conducted into the economic feasibilities of other raw materials such as rare earths, titanium sands, thorium ores and low-grade copper, lead and other deposits.

Iron and Steel Industry:

South Africa's fast growing iron and steel industry is one

Motor Industry and Trade

Registration. According to the statistics published by the Bureau of Census and Statistics, the total number of motor vehicles in the Republic, i.e. licensed vehicles and those owned by the Government, the S.A. Railways and Harbors and Provincial Administration, was as follows:

Year	Motor Cars	Buses	Commercial Vehicles	Motor Cycles	Total	Tractors
1953.....	542,740	5,022	152,399	27,189	727,350	58,398
1954.....	561,078	5,324	161,130	28,227	755,759	66,606
1955.....	596,367	5,624	176,724	30,681	809,395	—
1956.....	632,596	6,269	192,023	39,362	870,250	107,126
1957.....	697,555	7,981	205,292	50,717	961,545	116,236
1958.....	764,501	10,152	213,411	61,157	1,049,221	121,235
1959.....	816,460	12,464	219,618	85,472	1,134,014	81,240
1960.....	901,515	16,371	229,070	89,614	1,236,570	88,454
N.B. Latest available figures.						

(The decline in the number of tractors from 1958 to 1959 is due to the fact that under the new ordinance which came into effect on January 1, 1959, tractors used on farms in the Transvaal are registered, but not licensed, while crawler tractors are exempt from registration and licensing.)

of the manufacturing industries in which the country has the greatest comparative advantage. The production of iron and steel and its further manufacture into a wide variety of products for the local and export market, can be one of the most dynamic factors in the Republic's industrial growth in the future.

Iscor plans to step up its steel production from the present rate of 2,350,000 tons to 4,500,000 tons in 1972, at a cost of \$784,000,000. Union Steel Corporation will spend \$14,000,000 over five years and African Metals Corporation will spend \$14,000,000 on a new foundry at Newcastle in Natal, to meet with a Japanese demand for \$252,000,000 worth of pig iron over ten years. The Swedish firm SKF will build a new rolling mill to provide types of steel sections hitherto not manufactured in South Africa.

Two Dutch companies and a South African firm plan a new shipyard in Durban.

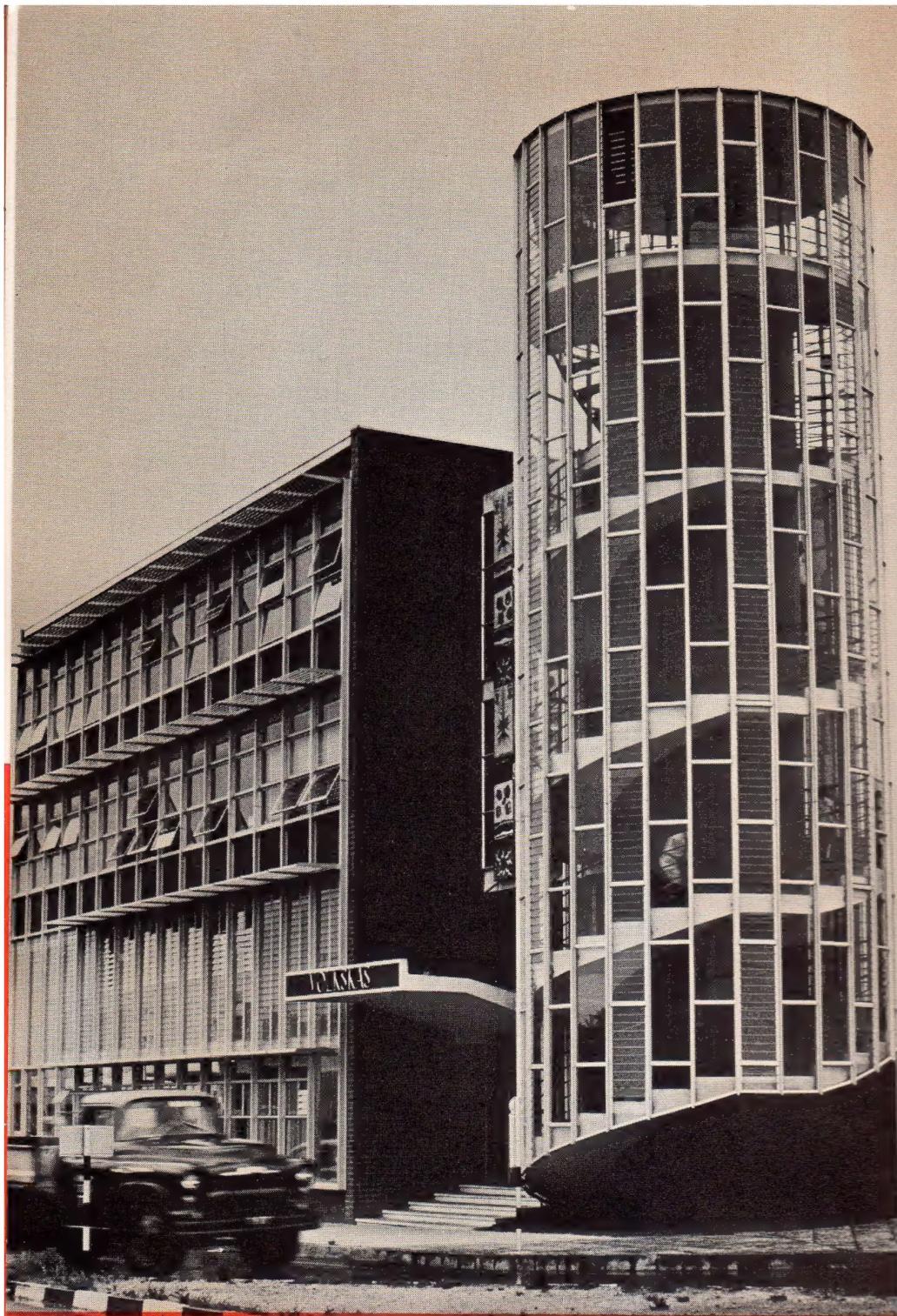
While the local production of oil from coal is being expanded, there is still ample scope from refining more imported oils. Shell (South Africa) plans an oil refinery at Durban at a cost of about \$70,000,000 and the California Texas Oil Company (Caltex) one at Cape Town at a cost of approximately \$30,800,000.

Automobile Industry:

In the automobile industry, in which American capital is prominent, the tendency is towards the production of more parts in South Africa.

Champion Spark Plugs have decided to manufacture in South Africa and General Motors are also producing more parts there. Ford is expanding its Port Elizabeth assembly plant and building new warehouses and a service training center.

Four tire companies have decided to start a synthetic rubber plant at Sasolburg at a cost of \$12,600,000. Sasol's



The new building for the Volkskas Bank in Roodepoort in the Transvaal. Exciting new lines in architecture are typical of the dynamic growth of the new industrial and commercial South Africa.



General view of central Johannesburg